

FBIS

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ROUNDUP REVIEWS WORLD OPINION ON VENICE SUMMIT

OW120942 Beijing XINHUA in English 0655 GMT 12 Jun 87

["Round-Up: World Opinion Differs on Venice Summit (by Zhao Dahua)" -- XINHUA headline]

[Text] Beijing, June 12 (XINHUA) -- While some officials participating in the Venice summit boasted its success the media differed in its response to the results of the summit.

At the end of the summit, Federal German Chancellor Helmut Kohl and Italian Prime Minister Amintore Fanfani said the seven countries have identical views on almost all major political and economic issues.

But according to the American newspaper THE WASHINGTON POST, U.S. analysts greeted the summit of seven major industrial countries in Venice "with a big yawn."

On Thursday THE POST cited an economic forecaster who called the summit a failure, "except nobody was expecting very much."

Analysts said joint communiques issued at the summit, with goals of growth, stability, employment and prosperity, were long on vague promises, and short on concrete steps to ease growing threats of another worldwide recession, THE POST said.

They pointed out that international surveillance of economic expansion of summit members was actually initiated a year ago at the Tokyo summit.

"Economists said that in the year since the surveillance program began operating, it has produced no significant breakthroughs in promoting world economic growth," THE POST stated.

THE POST noted that the United States failed in an effort to require that periodic economic forecasts be made public, as a means of exerting more pressure on countries to stimulate their growth.

The British newspaper "FINANCIAL TIMES" concluded in an article that the Venice summit brought less hope than most of previous ones.

Although summit members made a small step forward by adopting an early warning system to adjust economic growth, it is uncertain where the policy coordination will bring the seven countries, THE TIMES said.

In a dispatch from Venice the Japanese news agency KYODO said the economic policy of one country cannot always be identical to that of another, so it is doubtful if a country will agree to adjust its own to an international policy when necessary.

The summit really displayed an atmosphere of political unity, said the French news agency AFP, but the United States failed to achieve its goal of showing the unity was [as received] around Washington's policy.

Although no one expressed open opposition to American policy at the summit, President Ronald Reagan found he had differences with the other summit members on a number of major problems during their talks, AFP said.

United Nations Secretary General Javier Perez de Cuellar criticized the Venice summit Thursday for not dealing in sufficient detail with the economic problems of Third World countries.

The U.N. secretary-general sent letters to the seven summit members requesting more assistance for the debt-ridden developing countries.

"Until there is a sizeable flow of new resources to the Third World, as long as we continue to have this decline in the prices of products that the Third World exports, and as long as we continue to have protectionism, we cannot expect that the problem of Latin America, the problems of Africa and the debtor countries will be resolved," the U.N. chief stressed.

Meanwhile, Southeast Asian countries were disappointed by the joint communique issued at the summit that failed to take any concrete and effective measures to deal with problems thwarting the world economy.

Thailand's English newspaper the "BANGKOK POST" said in an editorial Wednesday that summit members talked about unimportant things.

Leaders of the developed countries forgot such a dangerous fact: The lack of economic cooperation (between North and South) would result in bringing the world trade as a whole into protectionism and recession, said THE POST.

The summit made it more clear that developing countries must help themselves, THE POST editorial said.

WAN LI MEETS SOUTH-SOUTH CONFERENCE DELEGATIONS

OW151305 Beijing XINHUA in English 1109 GMT 15 Jun 87

[Text] Beijing, June 15 (XINHUA) -- Acting Chinese Premier Wan Li met here today delegations from seven countries, which are here for a stopover after attending an extraordinary ministerial conference of non-aligned countries on South-South cooperation in Pyongyang.

Members of the delegations include foreign ministers of Tanzania and Madagascar, minister of external relations and cooperation of Burkina Faso, minister of foreign affairs and cooperation of Benin, vice-ministers of foreign affairs of Bangladesh and Egypt, and assistant foreign minister of Liberia.

ROUNDUP SAYS NATO, U.S. AGREE ON EUROMISSILES

OW131148 Beijing XINHUA in English 1122 GMT 13 Jun 87

["Round-up: NATO Endorsement Clears Way for U.S.-Soviet Euromissile Pact (by Shi Lujia)" -- XINHUA headline]

[Text] Washington, June 12 (XINHUA) -- The prospect for a U.S.-Soviet agreement on eliminating both medium- and shorter-range missiles in Europe now appears to be brighter than ever with the formal endorsement by NATO foreign ministers to the U.S. position on Euromissile talks in Geneva.

The White House has announced that President Reagan, after returning from Venice, Italy, will make a nationally-televised speech Monday night. He is expected to announce new instructions to American negotiators in Geneva.

At a news conference in Venice on Thursday, Reagan said that there is "an increased opportunity" for Soviet leader Mikhail Gorbachev to come to Washington this year to sign an arms control agreement.

Preliminary talks are already under way to fix a date for the summit. Foreign ministers of the two countries are expected to meet again this summer to lay the groundwork for a Reagan-Gorbachev meeting.

It has taken nearly two months for the NATO alliance to reach a consensus on how to respond to the "double zero" formula put forward by Gorbachev during U.S. Secretary of State George Shultz's visit to Moscow in April.

The Soviet leader proposed to remove all Soviet missiles with a range of 300-600 miles from Europe, in exchange for U.S. abandonment of the right to base similar shorter-range missiles in Europe.

The United States, eager to have an arms control agreement with the Soviet Union during the remaining years of the Reagan Presidency, expressed cautious welcome to the Soviet offer, but withheld a formal response pending endorsement by NATO allies.

The West European countries, while welcoming Soviet intentions to reduce Euromissiles in general, were concerned, however, that such an agreement would lead to "denuclearization" of Europe and delink European defense from that of the United States.

They also expressed the fear that without either medium-range or shorter-range missiles of the United States, Europe would be vulnerable to the superior Soviet conventional forces.

Since then, intense consultations have taken place between the United States and its NATO allies, with the Reagan administration repeatedly reiterating its commitment to the defense of Western Europe and its intention to redress the imbalance in conventional forces of NATO and the Warsaw Pact.

While in Venice, Reagan again assured the European allies that the United States "will not waver in its commitment to the defense of Europe." "We will sustain the credibility of NATO's doctrine of flexible response, which has served us well and remains the center of alliance strategy," he said.

Reports from Reykjavik, where the NATO foreign ministers met in the past two days, said that Shultz remained cautious while hailing NATO's approval of the U.S. position as a "positive step." He was quoted as saying difficulties still remain in verifying the elimination of Soviet missiles. "The negotiations are by no means over," he added.

Nevertheless, he expressed the belief that "there is reasonable probability" that these issues can be resolved.

The U.S. CHRISTIAN SCIENCE MONITOR commented today that judging from the latest developments, "The signals on a superpower summit meeting this year are definitely showing green."

U.S. ADMIRAL CONTINUES VISIT; MEETS YANG SHANGKUN

OW141146 Beijing XINHUA in English 1129 GMT 14 Jun 87

[Text] Beijing, June 14 (XINHUA) -- Yang Shangkun, vice-chairman of the Central Military Commission of the People's Republic of China, met and gave a dinner for Admiral Ronald J. Hays, commander-in-chief of the Pacific Command of the United States, his wife and their party here tonight.

Present at the meeting and dinner were Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army, Vice-Foreign Minister Zhu Qizhen and U.S. Ambassador to China Winston Lord.

Vice-Chairman Yang visited the United States last May.

Arrives in Lanzhou

HK160140 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 15 Jun 87

[Text] Admiral Ronald Hays, commander of the U.S. Pacific Fleet, and his 18-man party arrived in Lanzhou by special plane from Beijing on the morning of 15 June to visit Gansu Province. The commander has been invited by the Ministry of National Defense. Xing Shizhong, chief of staff of Lanzhou Military Region, and others welcomed them at the airport.

In the afternoon (Zhu Guoxiong), deputy chief of staff of Lanzhou Military Region, accompanied the admiral on visits to the Lanzhou No 1 Woolen Textile Mill and the provincial museum. Admiral Hays' wife visited the Northwest Nationalities College, accompanied by the wife of (Zhu Guoxiong).

In the evening, Lanzhou Military Region Commander Zhao Xianshun and his wife met Admiral Hays and his wife and party in the Niuwozhuang Guesthouse. Guests and hosts had a cordial chat in a friendly atmosphere. After the reception, Commander Zhao Xianshun gave a banquet for the American friends. Chief of Staff Xing Sh'zhangong, deputy Chief of Staff (Zhu Guoxiong), and Provincial Foreign Affairs Office Director (Mao Difei) also attended.

JAPAN TO APOLOGIZE FOR REMARKS ABOUT DENG XIAOPING

OW151550 Beijing XINHUA in English 1538 GMT 15 Jun 87

[Text] Tokyo, June 15 (XINHUA) -- Japan admitted today that a senior Japanese Foreign Ministry official had made "discourteous" remarks about Chinese leader Deng Xiaoping and expressed regret to China for the remarks.

Speaking at a press briefing, which excluded the attendance by foreign correspondents, Vice Foreign Minister Kensuke Yanagiya said Japan was to convey to China through diplomatic channels that "It is regrettable that the reported remarks attributed to a high-ranking Foreign Ministry official offended the Chinese side as they contained discourteous expressions" in reference to Chinese leader Deng Xiaoping, the KYODO News Service reported.

The unidentified high-ranking official had expressed doubt about whether Deng was in touch with the reality of Japan-China relations and said the Chinese leader may be "living in the clouds".

The Foreign Ministry official made the "discourteous" remark on June 4 to a group of Japanese reporters when he was commenting on Deng's talk with Junya Yano, chairman of the Komeito, Japan's second largest opposition party on the same day in Beijing.

Yanagiya reportedly said that he received approval from Prime Minister Yasuhiro Nakasone for the statement of regret.

He said Nakasone instructed him to reconfirm to the Chinese side that the Japanese Government stressed that the principles agreed with the Chinese Government in normalizing bilateral ties "remain strictly unchanged" and Japan recognizes "one China" and not "two Chinas".

Japanese Foreign Ministry summoned Chinese Embassy officials this evening, asking them to pass Prime Minister Nakasone's words to the Chinese Government.

RENMIN RIBAO FRONTPAGES JAPANESE APOLOGY

OW160633 Tokyo KYODO in English 0620 GMT 16 Jun 87

[Text] Beijing, June 16 KYODO -- The PEOPLE'S DAILY, official paper of the Chinese Communist Party, Tuesday frontpaged the news of Japan's apology to China for a controversial remark made by a Foreign Ministry official which was taken by the Chinese as a personal attack against their leader, Deng Xiaoping.

The daily said Japanese Vice Foreign Minister Kensuke Yanagiya expressed regret over the remark and Prime Minister Yasuhiro Nakasone authorized the apology Monday.

An unidentified senior official at Japan's Foreign Ministry said early this month Deng is "living in the clouds," distancing himself from reality.

The official made the remark when asked what he thought of Deng's recent criticism of Japan's defense buildup and of an Osaka High Court ruling awarding the ownership of a Chinese student dormitory in Kyoto to Taiwan.

Yanagiya said in an oral statement to the Chinese Embassy in Tokyo that the remark contained discourteous expressions in reference to Deng, chairman of the Communist Party's Central Advisory Commission.

The PEOPLE'S DAILY quoted Nakasone as saying the principles the Japanese Government confirmed with the Chinese Government in normalizing their relations in 1972 remain strictly unchanged and that Japan as a nation recognized one China, and not two Chinas.

Radio Beijing also reported without comment the Japanese apology.

DPRK LEADER CALLS ON SOUTH TO OVERTHROW REGIME

OW141232 Beijing XINHUA in English 1223 GMT 14 Jun 87

[Text] Pyongyang, June 14 (XINHUA) -- A huge rally was held here yesterday to condemn the nomination of No Tae-u, chairman of the South Korean ruling Democratic Justice Party to succeed "President" Chon Tu-hwan, who is scheduled to step down next February.

At the rally, Chong Chun-ki, vice premier of the Democratic People's Republic of Korea (DPRK) called on South Koreans to continue their democratic movement to overthrow the military dictatorship and their struggle for the withdrawal of U.S. troops from South Korea.

He also condemned the South Korean authorities for using tens of thousands of police to suppress student demonstrations against the military government.

More than 500,000 people, including students, workers and religious people staged rallies and demonstrations in 21 cities across South Korea in the past few days, to protest the presidential nomination which was formally announced June 10.

Although it is generally predicted that No Tae-u would undoubtedly become the new "president," he will have a hard time in the transition of power due to the unstable political situation.

LI PENG MEETS WITH NORTH KOREAN EDUCATORS

OW131242 Beijing XINHUA in English 1026 GMT 13 Jun 87

[Text] Beijing, June 13 (XINHUA) -- Chinese Vice-Premier Li Peng met a Korean education delegation led by Yi Sang-chol, vice-chairman of Education Committee, here this afternoon.

The Korean visitors arrived here Wednesday on a ten-day investigation tour to acquaint themselves with the situation in China's education.

INDIAN FOREIGN MINISTER HOLDS TALKS WITH LIU SHUQING

OW152100 Beijing XINHUA Domestic Service in Chinese 1640 GMT 15 Jun 87

[Text] Beijing, 15 Jun (XINHUA) — Vice Minister of Foreign Affairs Liu Shuqing held talks with Indian Minister of External Affairs Tiwari today on relations between the two countries.

In the talks, both sides agreed: China and India are the two most populous countries in the world and face the same task of building a modern economy and improving the people's living standards. The two countries have many similar points and can learn from each other in many areas. Further improvement and development of the friendly and cooperative relations between the two countries is not only the common wish of the two peoples, but is also of great significance to peace in Asia and the rest of the world.

Minister of External Affairs Tiwari said: India hopes to eliminate the previous misunderstanding and suspicion and to rebuild and resume its friendly relations with China. As for the unsettled issue between the two countries, a fair and reasonable solution should be sought through peaceful negotiations and friendly consultations. He added that although time is required for this, there is no reason for the two countries not to develop their cooperation in diversified fields, and that prior to an all-round settlement of the border issue, it is necessary to guard against the occurrence of conflicts in border areas.

Vice Minister of Foreign Affairs Liu Shuqing said that the Chinese people value highly their traditional friendship with the Indian people, and the Chinese Government attaches importance to improving and developing relations with India. He elaborated on China's consistent stand in resolving the Sino-Indian border issue. He said: The Sino-Indian border issue includes two categories of questions — questions left over from the past and questions that have arisen recently. The Sino-Indian boundary line has never been officially drawn. This question left over from the past can only be solved through peaceful and friendly consultations in the spirit of mutual consideration and accommodation. In doing this, it is necessary to respect historical facts and take into consideration the national sentiments of the two peoples. Before negotiations start in defining the boundary line, the two sides should strictly observe the line of actual control drawn on 7 November 1959. The Chinese side sincerely wishes to maintain peace and tranquillity along the Sino-Indian border. The only way to avoid unpleasant incidents and ease the tension along some sections of the border is for the Indian side to withdraw its military personnel who have crossed the line of actual control.

The two sides discussed the time for the next round of talks between Chinese and Indian officials. The next round of talks will be held in the second half of this year in New Delhi.

In addition, the two sides exchanged views on international and regional issues of common concern. Touching on the regional issues in South Asia, Tiwari gave a briefing on India's relations with Pakistan relations with its South Asian neighbors and sincerely hopes that South Asian countries will get along in a good-neighborly and friendly manner and improve their relations on the basis of the Five Principles for Peaceful Coexistence in the interest of peace and stability in that region. He said that the nationality issue of Sri Lanka is an internal affair of that country and should be properly resolved by that country itself and that no other countries should interfere.

Tiwari and his wife arrived in Beijing on 14 June after attending an extraordinary ministerial conference of nonaligned countries on South-South cooperation in Pyongyang. On the evening of 15 June, Liu Shuqing hosted a banquet in honor of Tiwari and his party.

Confers With Wan Li

OW151602 Beijing XINHUA in English 1551 GMT 15 Jun 87

[Text] Beijing, June 15 (XINHUA) -- Acting Chinese Premier, Wan Li, wants China and India to do their best to maintain peace and stability along their common border and avoid provocations against each other.

Wan made this remark at a meeting with Indian Foreign Minister N.D. Tiwari here today.

Wan said that China and India are the biggest countries in Asia as well as neighbors. Both countries wish to develop their own economies and resume friendly relations.

"There is no reason for us not to maintain friendship. The boundary question between the two countries should be settled through friendly consultations, mutual consideration and accommodation," he added.

Before the settlement of the boundary question, Wan said, the two countries should try to develop relations in other areas and make efforts to maintain peace and stability along their border, without making any provocations against each other.

He noted that both China and India are initiators of the Five Principles for Peaceful Coexistence and should take the lead in practising these principles.

Tiwari said the Indian Government wishes to restore and develop friendly relations with China. "There should be a new beginning to expel misunderstanding and suspicions from the past."

COMMUNIQUE ON PRC-BHUTAN BORDER TALKS ISSUED

OW131830 XINHUA Domestic Service in Chinese 1530 GMT 12 Jun 87

[Text] Thimphu, capital of Bhutan -- The fourth round of official-level border talks between China and Bhutan concluded here yesterday with the signing of a joint communique by Liu Shuqing, Chinese vice foreign minister, and T. Tobgyel, head of the Bhutanese delegation, on behalf of their respective governments.

The communique says: "The fourth round of talks proceeded in a very cordial, friendly, and cooperative atmosphere on the basis of sovereign equality, mutual benefits, and mutual accommodation. The delegations of the two countries believed that the talks have further strengthened the two countries' mutual understanding and traditional friendship. Both sides hoped that a peaceful and friendly border can be maintained, and they pledged to make every effort to settle the border issue at an early date on the basis of the Five Principles of Peaceful Coexistence. Both sides were satisfied with the results of the talks."

The communique says that both sides agreed that the fifth round of talks will take place in Beijing in spring, 1988; and that the specific date of the talks will be decided by the two governments through normal diplomatic channels.

The communique says that during the talks both sides exchanged views on international issues of mutual interest and concern.

While in Thimphu, His Majesty Jigme Singye Wangchuck, king of Bhutan, received the Chinese delegation headed by Liu Shuqing. Dawa Tsering, minister of foreign affairs of the Kingdom of Bhutan, also met with the Chinese delegation.

The Chinese delegation left Thimphu for home on the afternoon of 10 June.

XINHUA NEWS ANALYSIS VIEWS TENSION, DANGER IN GULF

OW131820 Beijing XINHUA in English 1523 GMT 13 Jun 87

["News Analysis: The Real Danger in the Gulf by Ma Guangren" -- XINHUA headline]

[Text] Cairo, June 13 (XINHUA) -- Clouds are gathering over the Gulf these days and tension is mounting in the region.

But the tension in the Gulf is both false as well as real, and the danger there is more latent than immediate.

It is false because so far both the United States and Iran have been calling each other's bluff, with the U.S. saying that it will "strike first" and Iran responding that its helicopters will commit "suicide attacks" on U.S. ships if the U.S. strikes.

The Pentagon has been busy discussing various "operation plans" for the Gulf since May 17, when Iraq "mistakenly" attacked the U.S. frigate "Stark". But no serious attacks on ships have happened since then. Those concerned are all handling the situation very cautiously.

However, the tension in the Gulf is real because the U.S. and the Soviet Union have stepped up their concentration of forces in the region.

This shows that friction between the superpowers is being aggravated in the Gulf. Although there is no sign of immediate confrontation between the two, the underlying danger of a conflict is truly grave.

This is the real danger.

The Iran-Iraq war has been dragging on for nearly seven years, and the "war of attacking ships" is now two years old. But no one ever saw a mounting crisis in the Gulf as the Soviet military existence there did not pose a serious threat and the competing interests of Washington and Moscow were never hot topics for discussion.

But since March, the situation has grown more complex. Kuwait, out of its geographical position and its common interest with Iraq, is concerned over possible attacks from Iran. For this reason it requested that the big powers lease it ships to carry Kuwaiti oil. Early in April, the Soviet Union made haste to rent three oil tankers to Kuwait and added three others later, all under the escort of Soviet warships. There are now two Soviet warships inside the Gulf and three mine sweepers are likely to be sent there.

The Soviet Union's squeeze on the Gulf was timed to take full advantage of the "Irangate" scandal that began in Washington last November, when the U.S. secret arms sales were first revealed to the public. This has caused the U.S. a serious loss of popularity among Arab states.

The U.S. then sent a special envoy to calm the Arab countries -- but to no avail. With Soviet ships ploughing the Gulf waters, the U.S. became more worried and in recent weeks followed the Soviet suit in allowing 11 Kuwaiti tankers to fly U.S. flags, entitling them to U.S. Navy escorts.

It was then the "mistaken" strike by Iraq on the U.S. ship Stark that gave the U.S. another excuse to increase its military presence in the Gulf.

Since Reagan ordered the Pentagon to provide "air protection" to ships in the Gulf by sending more warships to the region after the "Stark" incident, the Department of Defense has sent 15 warships headed by the aircraft carrier "Sarotoga" to the Mediterranean. At least three of them have sailed into the Gulf.

However, "air protection" is a thorny problem for the U.S. according to U.S. military experts, the Gulf is too narrow for U.S. aircraft carriers to be used to proper effect. It is also too far for U.S. carriers to operate from Oman Bay to protect ships in the Gulf by air. Fighters from carriers in the bay to the Gulf need refueling in the air and the refueling planes must use air bases and facilities of the Gulf countries.

The U.S. must ask for permission from the Gulf countries to use their air bases if its fighters want to operate from the land. But none of those countries wants to cooperate with the U.S.

Two U.S. congressmen with a mission to "persuade" the Arab nations returned to Washington empty-handed recently.

The meeting of foreign ministers from six Gulf nations held in early June in Jeddah, Saudi Arabia, unanimously refused to provide their air bases to any foreign countries and reiterated their joint self-defense.

The U.S. has repeatedly pressed Western Europe and Japan to provide escorts and air protection for merchant ships in the Gulf, but the June 8-10 summit of seven Western-bloc powers, after some quarrels, only issued an empty statement, asking Iran and Iraq to end their war and calling for safe navigation in the Gulf.

The meeting in Jeddah has shown that the Gulf countries jointly refused the interference of the superpowers and the Venice summit means that America's Western allies also do not want to be involved in the Gulf conflict.

Facing this situation, the U.S. also does not want to rashly use its troops in the Gulf. Instead of protecting the sea lane for others, the U.S. has two real targets: drive the Soviet military presence out of the Gulf, and repair its broken image in Arab eyes.

Therefore, it is absolutely necessary for the international Gulf as warships of the two superpowers crowd the narrow sea channel.

UAE REFUSES TO OFFER FACILITIES TO U.S. NAVY

OW111432 Beijing XINHUA in English 1337 GMT 11 Jun 87

[Text] Kuwait, June 11 (XINHUA) -- The United Arab Emirates (U.A.E.) refused to offer any military facilities to the American Navy in the Gulf, Kuwaiti "AL-QABAS" today quoted UAE Petroleum Minister Mani' Ibn Sa'id al-Utaybah as saying.

"The military presence in international waters is a right we cannot interfere with," said Al-Utaybah when interviewed by "AL-QABAS" in Damascus after his participation in the ministerial meeting of the Organization of Arab Petroleum Exporting Countries (OAPEC).

"However, we have to prevent foreign naval forces from entering our territorial waters, and this is exactly what the UAE intends to do," he said.

On the Kuwaiti decision to fly the American flag on its oil tankers to keep them for Iranian attacks, Al-Utaybah said, "Kuwait is a sovereign nation and has the full right to do whatever it sees necessary to protect its soil and commerce."

However, he hoped no other nation in the region should feel a necessity to take the same measures.

To protect its tankers from Iranian attacks, Kuwait has decided to lease foreign powers' vessels or to re-flag its tankers under foreign escort.

Moscow responded first to Kuwait's request by leasing six ships to be escorted by Soviet warships. Washington has also allowed 11 Kuwaiti tankers to carry the American flags under American warships' escort.

To reinforce its military presence in the Gulf, America has demanded that Gulf countries offer military facilities to its warplanes which allegedly provide military protection for the vessels navigating in the Gulf.

Kuwait has publicly refused to offer military bases on its lands to the American Armed Forces.

Al-Utaybah, on the other hand, negated the proposal of the Gulf Cooperation Council (GCC) to search for alternative ports to export Arab oil via a pipeline through Saudi lands.

The proposal was made at a recent GCC meeting by six Gulf countries including Kuwait and Saudi Arabia.

"The Gulf countries take pride in their Gulf and stick to it as the passage to the external world that serves not only as an oil outlet but as an international commercial route," Al-Utaybah said.

CHINESE INDUSTRIALIST ENDS VISIT TO KUWAIT

OW121916 Beijing XINHUA in English 1903 GMT 12 Jun 87

[Text] Kuwait, June 12 (XINHUA) -- Wang Guangying, a leading Chinese industrialist, ended his three-day visit to Kuwait today after probing grander business opportunities between the two countries.

Mr. Wang, who is the chairman of China Everbright Holdings Co. Ltd., met with Chairman of Kuwait Investment Authority Fahd al-Rashid and other leading businessmen and bankers in the circles of commerce, industry and financial sectors.

Wang, who doubles as vice chairman of the Chinese People's Political Consultative Conference, told reporters that he had very good discussions with businessmen in Kuwait.

Kuwaiti entrepreneurs have keen interest in making investments in small and medium projects in China, who welcomes foreign investments under its open-door policy, said Mr. Wang.

Wang Guangying was invited to visit the country by Kuwait Investment Finance Corporation and left this afternoon for Oman.

Before his visit to Kuwait, Wang visited the United Arab Emirates (U.A.E.) and attended a shareholders' meeting of 'Umm al-Qaywayn Aluminum Company, in which his corporation enjoys 10 percent equity, to discuss the implementation of an aluminum plant project in 'Umm al-Qaywayn, one of U.A.E's seven emirates.

Wang also had a wide contact with businessmen and financiers in the U.A.E. to explore cooperation in various fields.

SOVIET DEPUTY FOREIGN MINISTER ARRIVES IN IRAN

OW122354 Beijing XINHUA in English 2336 GMT 12 Jun 87

[Text] Tehran, June 12 (XINHUA) -- Soviet Deputy Foreign Minister Yuliy Vorontsov arrived here today for an official visit to boost bilateral relations, according to ISLAMIC REPUBLIC NEWS AGENCY (IRNA).

IRNA quoted Vorontsov as saying at the airport that economic cooperation between the two countries would be discussed in addition to an exchange of views on situation in the Persian Gulf.

Vorontsov's visit was seen as a return visit to Iranian Foreign Minister 'Ali Akbar Velayati's last February visit to Moscow.

Relations between Iran and the Soviet Union deteriorated in 1983 after Tehran expelled 18 Soviet diplomats, charging them with spying and interfering in Iran's internal affairs.

The Soviet Union, officially neutral in the nearly seven-year-old Iran-Iraq war, is yet Iraq's major arms supplier.

Tehran has been recently annoyed with the Soviet lease of tankers to Kuwait for shipping in the Gulf and the renewal of Soviet-Iraqi friendly cooperation treaty.

According to a Soviet diplomat, Vorontsov's visit is not likely to promote political relations between the two countries, but might improve bilateral economic relations.

NEWS ANALYSIS VIEWS THATCHER'S 'HISTORIC' WIN

OW121430 Beijing XINHUA in English 1359 GMT 12 Jun 87

["News Analysis: Thatcher's Historic Election Win" -- XINHUA headline]

[Text] London, June 12 (XINHUA) -- Margaret Thatcher, Britain's first-ever woman prime minister, today set another record in British politics as the first prime minister in one and a half centuries to be elected to a third consecutive term.

The historic victory was attributed to the government's economic performance, high-profile defense policies as well as pre-election maneuvers.

But the fact that the conservatives took 43 percent of votes, with the rest split between the Labor and Liberal/Social Democratic Alliance, revealed that Thatcher's policies still remain unpopular with more than half of the British people.

First elected in 1979 against a background of declining productivity and soaring inflation, Thatcher repudiated the Keynesian and corporatist policies pursued by virtually all successive Labor and Conservative governments since World War Two.

The medicine that she prescribed to cure the "British disease" included tight fiscal and monetary policies, curbs on trade unions, reduction of taxes and privatization of state-owned enterprises -- policies often referred to as "monetarist".

Reforms, helped greatly by oil revenue from the North Sea, succeeded in reducing the inflation rate, about four percent at present, while Britain achieved an average 3 percent increase in its economic growth rate in the past five years, the highest rate among West European countries.

Under Thatcher, profitability of industrial companies was reported at its highest level in the past 20 years and take-home pay has increased by some 20 percent. These results certainly won strong endorsement for the prime minister in financial circles, well-to-do businessmen and workers with comfortable pay.

The government further widened its support by promising before the eve of election to increase spending on social services and further tax cuts in the next three fiscal years. The election was thus called one year ahead of schedule when nearly all economic indicators favored the Tories, and the party's popularity was improving after a two-year slide.

But, record high unemployment, increased crime, poorly-maintained social services and a declining manufacturing sector have been the Achilles heel of the Tories' policies as opinion polls indicated that the Conservatives' popularity slipped once these issues were discussed in the campaign.

The Tories could survive charges on these issues only because many voters believed that the opposition provided economic solutions reminiscent of the rising inflation and high taxes of the 1960-70s.

Opinion polls indicated that the main opposition Labor Party, which was doing better than in the previous election, also suffered from its non-nuclear defense policy.

In contrast, the Tories made popularity gains by bragging of its defense issues as a contribution to Western security, Thatcher's image as a strong world leader and her experience in international affairs.

According to poll analysts, people who voted for Thatcher believe that her policy of "peace-through-strength" and her determination to keep the independent British nuclear deterrent may serve the national security's interests.

With most votes counted, the Conservatives had won 350 seats in the 650-member House of Commons, the Labor Party 226 and the Alliance 16.

The 350 seats of 650-member Parliament taken by the Conservative Party under the "winner-take-all" system were a reduced majority of seats from the previous Parliament, but the victory still signalled the country's approval of Thatcher to carry on her economic and foreign policies.

During the campaign, the prime minister promised a prospering "popular capitalism" which gives more "freedom of choice" in education and health care and a further expansion of home-ownership and share-ownership.

However, some commentators noted, the program appealed to those who can afford it, but not to those three millions of jobless people and millions more of the less fortunate.

The election campaign over the past three and a half weeks saw Thatcher was as much admired by her supporters as she was loathed by her critics. Analysts could not fail but to notice that throughout all the three elections she has won, Thatcher has never enjoyed the support of more than 44 percent of the electorate.

Yet it may not be necessary for Thatcher to win over the hearts of the whole nation to be a tremendously successful political leader, and people wait to see what happens in the next four or five years under her government, many in expectation and many others in despair, the analysts said.

SONG JIAN MEETS EC VISITORS ON ENERGY COOPERATION

OW151056 Beijing XINHUA in English 0830 GMT 15 Jun 87

[Text] Beijing, June 15 (XINHUA) -- Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met Nicola Mosar, member of the Commission of the European Communities, and his party here today.

While in China, the European Communities visitors exchanged views with officials of relevant Chinese departments on expanding energy cooperation between the two sides. A summary of talks was signed.

ZHAO CONTINUES VISIT; ARRIVES IN BRATISLAVA

OW131504 Beijing XINHUA in English 1443 GMT 13 Jun 87

[Text] Bratislava, Czechoslovakia, June 13 (XINHUA) -- Chinese leader Zhao Ziyang, ending his visit in Prague, arrived this morning in Bratislava, capital of Slovakia, one of the two republics of Czechoslovakia.

Soon after his arrival, Zhao, acting general secretary of the Chinese Communist Party and premier of the State Council, went to the Bratislava Castle facing the Danube River to meet with Jozsef Lenart, first secretary of the Slovak Communist Party.

During the meeting, Zhao expressed interest in promoting China's relations with the Republic in various areas and said he was glad to have the chance to see the economic development in the region.

Slovakia, in the eastern part of the country with a population of five million, now ranks as one of the country's most important industrial and agricultural bases, though it used to be underdeveloped with a single agro-economy before 1945.

Statistics show that in the past decade and more, the Slovak Republic has doubled its annual revenue, accounting for nearly one third of the country's total in 1985 against 20 percent in the previous year.

Lenart told the Chinese guest, who came here in the company of Czechoslovak Premier Lubomir Strougal, that of the country's total exports to China, Slovakia takes a 26 percent share. After half an hour of talks, Lenart took the Chinese leader and Strougal to a large balcony of the castle for a bird's eye view of the Danube flowing west-east through the city.

Zhao is going to see a farm cooperative near the city this afternoon before winding up his journey in the country tomorrow morning.

When he left Prague this morning, he was seen off at the airport by Czechoslovak President Gustav Husak.

In a five-nation East European tour, the Chinese leader visited Poland and Democratic Germany before coming to Prague Thursday. He is expected to tour Hungary and Bulgaria.

Visits Agricultural Co-Op

OW132356 Beijing XINHUA in English 2330 GMT 13 Jun 87

[Text] Bratislava, June 13 (XINHUA) -- Members of an agricultural cooperative near Bratislava today greeted visiting Chinese Premier Zhao Ziyang with bread and salt when he spent two hours with them learning about their experience in agricultural development.

Cooperatives are the dominating form of collective farming in Czechoslovakia. The importance the government attaches to agricultural development has made the country now self sufficient in food supply. It is learned that the average income of cooperative members is no less than that for those working in the industrial sector.

The Lenice cooperative, 20 kilometers southeast of Bratislava, has received a lot of visitors from foreign countries, but Premier Zhao, also acting general secretary of the Chinese Communist Party, was the highest-ranking foreign leader to be their guest.

"We have long expected the Chinese leader to come," said one of the cooperative members.

The cooperative chairman briefed the Chinese visitor on the general situation of his organization and took him to see some places which could best show its achievements.

Zhao was also invited to the family of a co-op member specializing in livestock raising. He told the premier that he and his wife earned an equivalent of about 1,000 dollars a month, which is more than twice as much as the average national level for working people.

Slovakia used to be an economically underdeveloped region and marked progress has been made since 1945 both in industry and agriculture.

When Zhao asked about their ideas on reform in agriculture, the Lenice co-op officials said what they wanted most was the power to decide on the sale of some of their products abroad.

The Chinese leader was entertained at a dinner party given by the Central Committee of the Slovak Communist Party and local government here this evening.

He is scheduled to fly to Budapest, capital of Hungary, tomorrow morning to continue his five-nation East European tour. He has already visited Poland and Democratic Germany.

Attends Banquet

OW140205 Beijing XINHUA in English 0155 GMT 14 Jun 87

[Text] Bratislava, June 13 (XINHUA) -- Slovak Premier Peter Colotka this evening pledged to strengthen cooperation with China at a banquet in honor of visiting Chinese Premier Zhao Ziyang.

Zhao and his party, who arrived here this morning to visit an agricultural cooperative, as well as Czechoslovak leaders were present at the banquet.

Colotka said that the Slovak Government welcomes the signing of a consular agreement which allows China to establish a consulate general in Bratislava, and Czechoslovakia to restore its consulate general in Shanghai, China's largest city.

He noted that a foreign languages institute will open a course on Slovak language this year and expressed pleasure over increasing academic cooperation among the universities of China and Slovakia.

Zhao, acting general secretary of the Chinese Communist Party and premier of the State Council, said he believed that "China and Slovakia will increase their exchanges and cooperation as Sino-Czechoslovak friendly and cooperative relations develop."

Zhao also praised the Slovak people's contribution to the prosperity of Czechoslovakia and world peace.

ZHAO ZIYANG ARRIVES IN HUNGARY; MEETS LAZAR

OW141118 Beijing XINHUA in English 1110 GMT 14 Jun 87

[Text] Budapest, June 14 (XINHUA) -- Chinese Premier Zhao Ziyang, ending his four-day official visit to Czechoslovakia, arrived here this morning for the first high-level talks in almost three decades with Hungarian leaders chiefly on bilateral relations.

Zhao, who is also acting general secretary of the Chinese Communist Party, was met at the airport by Politburo member of the Hungarian Socialist Workers' Party (HSWP) and Hungarian Premier Gyorgy Lazar.

After hugging with Gyorgy Lazar, Zhao left the airport in a motorcade for Lake Balaton, the nation's summer resort southwest of the capital.

In a written statement issued at the airport, Zhao said, "I believe my visit will help deepen the mutual understanding and trust between our two sides and push forward to a new level the relations of friendship and cooperation between our two parties and two peoples."

Zhao Ziyang is now on a five-nation East European tour, including Poland, Democratic Germany, Czechoslovakia and Bulgaria.

Zhao, who came for a five-day official visit at the invitation of General Secretary of HSWP Janos Kadar and Premier Gyorgy Lazar, will formally begin his visit to the country tomorrow by attending an official welcome ceremony before the parliament building in the morning and holding talks with Kadar, the highest-level meeting between leaders of the two countries in some 30 years.

The two leaders are expected to focus their talks on economic reforms in both nations, in addition to bilateral and international issues, Chinese sources said.

Zhao will also meet Hungarian President Pal Losonczi and Premier Lazar.

During the visit, the two countries are also expected to sign a long-term agreement on economic and scientific cooperation.

Zhao's trip to Hungary brings to the top level the contact between leaders of the two countries following the visit to China early this year by Ferenc Havasi, secretary and Politburo member of the Socialist Workers' Party Central Committee.

The two countries said that they have shared common language in undertaking economic reforms and have paid close attention to each other's experiences.

During Havasi's week-long visit to China in January, Chinese Vice Premier Yao Yilin described as "farsighted" Hungary's efforts to develop relations with China.

Welcomed at Budapest Ceremony

OW151213 Beijing XINHUA in English 1135 GMT 15 Jun 87

[Text] Budapest, June 15 (XINHUA) -- Chinese leader Zhao Ziyang began a four-day official visit to Hungary this morning when he was honored at a welcoming ceremony at the capital's Kossuth Square in front of the parliament building.

Zhao was greeted by Janos Kadar, general secretary of the Hungarian Socialist Workers' Party, and Premier Gyorgy Lazar at the square upon his arrival from Lake Balaton where he took a day off yesterday.

The 75-year-old Hungary party leader, dressed in a dark blue suit with a brown tie, asked Zhao if he had a good rest in Balaton, a summer resort of the country.

"I was fully relaxed and had a good time by swimming there," Zhao, acting general secretary of the Chinese Communist Party and premier of the State Council, told Kadar.

Following the ceremony, Zhao entered the gigantic neo-Gothic parliament building overlooking the Danube River for the first round of talks with Lazar.

Zhao arrived in Hungary yesterday on his fourth leg of a five-nation East European tour, which has already taken him to Poland, Democratic Germany and Czechoslovakia. He will also visit Bulgaria.

DENG XIAOPING, SFRY'S KOROSSEC MEET 12 JUN

OW121906 Beijing XINHUA Domestic Service in Chinese 1038 GMT 12 Jun 87

[Text] Beijing, 12 Jun (XINHUA) -- Deng Xiaoping, chairman of the Advisory Commission of the CPC Central Committee, said here today: "We do not talk about the past, we only look forward. This is our approach in handling relations with Eastern European countries and parties."

Deng Xiaoping made the remarks while meeting Stefan Korosec, member of the Presidium of the League of Communists of Yugoslavia [LCY] Central Committee, and his party at the Great Hall of the People this morning.

Deng Xiaoping told Korosec that relations between the CPC and the LCY have been close since their ties have been restored.

Korosec said: "This year is the 10th anniversary of Comrade Tito's visit to China."

Deng Xiaoping said: "He opened a new page in the history of relations between our two parties. It was he who came to China first." He said: "I had a meeting with Comrade Tito at that time as a veteran soldier. We had a very good conversation. We reached a common understanding that we would not talk about the past, but look forward only."

Deng Xiaoping said: "This is our approach in handling relations with Eastern European countries and parties."

He said: Of course, the experiences accumulated in the past are worth summing up. Most important is that all political parties, large, medium, and small, should show mutual respect for each other's choices and experiences.

No party should comment frivolously on another party's and state's affairs. This applies not only to parties in power but also to parties not in power. If a party makes mistakes, it is up to its own members to make corrections because situations in various countries differ in thousands of ways and every party makes its policy decisions in accordance with its own history and actual situation.

Deng Xiaoping stressed: "Historical experiences tell us that there should be new relations between parties."

The 2-hour meeting proceeded in a very cordial and friendly atmosphere. Korosec said that he was glad to meet Deng Xiaoping, pioneer of reforms in China.

Deng Xiaoping briefed his visitors on China's reform and open policies. He said: "China's reform and open policies will not change or slow down. Of course we will proceed steadily, but steadiness does not mean making no progress. The pace of our reforms should be quickened. Political reform is now the order of the day, and it will be one of the major topics for discussion at the 13th party congress in October this year."

Korosec said China's achievements in reform have far-reaching influence not only for China but also for the world at large and the socialist cause as a whole.

Present at the meeting were Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

Deng Stresses Political Reform

HK121148 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0957 GMT 12 Jun 87

[Report by Li Wei (2621 0251): "Deng Xiaoping Says: Reform of the Political Structure Will Be the Main Topic for Discussion at the 13th CPC National Congress"]

[Excerpts] Beijing, 12 June (ZHONGGUO XINWEN SHE) -- Deng Xiaoping, chairman of the CPC Central Advisory Commission, told his Yugoslav friends today: The pace of China's reform should be accelerated. Reform of the political structure is now the order of the day and will be the main topic for discussion at the 13th CPC National Congress. The 13th CPC National Congress will get things into shape on this reform.

Talking about the viewpoints on China's reform and opening up in detail was a main content of Deng Xiaoping's 2-hour talks with the SFRY's Korosec.

Deng Xiaoping said: China's reform is an overall reform, including reform of the political structure, reform of the economic structure, and reforms in other relevant fields. The policies, principles, and measures for reform of the economic structure have already been determined. The problem at present is to accelerate the reform.

Deng Xiaoping continued: China's open policy refers to both foreign and domestic affairs. Enlivening the domestic economy is an open policy for the inside, while opening up to the outside world means opening up to all countries in the world, to all types of countries.

After presenting details about the four special economic zones, Deng Xiaoping said: Now we can see that the decision on developing the special economic zones is not only correct but has also been proved to be successful. In short, it is correct for China to take the path of reform and opening to the outside world. Although there are some problems in various fields, which need to be solved step by step, reform and opening up will never change nor slow down.

Deng Xiaoping also said: I stand for reform. Without reform we find no way out. Our past practice has been proved to be unsuccessful through several decades' experiments. In the past we mechanically copied the patterns of some foreign countries. In addition, we have also made some mistakes. As a result, the development of the productive forces was obstructed, our thinking became rigid, and the initiative of the masses of people and the grass-roots was also dampened.

Deng Xiaoping once again mentioned the past "leftist" mistakes in China.

He said: Since 1957 our party's main mistake is the "leftist" mistake. It became ultra-leftist during the Cultural Revolution. It made China remain in a state of stagnation for nearly 20 years after 1957. Under such circumstances, could we afford not to carry out reform? Therefore, at the 5th Plenary Session of the 11th CPC Central Committee held in 1978, we worked out new policies and principles, taking the development of the social productive forces and the four socialist modernizations as our overriding central task.

Deng Xiaoping held that the general purpose of the reform is to consolidate the socialist system and the leadership of the Communist Party and to develop the social productive forces under the leadership of the party and under socialism. We need steadiness, but this does not mean stagnation. [passage omitted]

Korosec and his party arrived in Beijing on 8 June at the invitation of the CPC. They have already visited Guangzhou and Shenzhen and will end their visit on the 14th of this month.

Deng To 'Step Down'

LD121839 Belgrade TANJUG in English 1645 GMT 12 Jun 87

[Excerpt] Beijing, June 12 (TANJUG) -- China respects the League of Communists of Yugoslavia (LCY) as a creative party and is confident of its originative power and ability to resolve the problems and difficulties on the road of progress.

This was stated here today by Chinese leader Deng Xiaoping during almost three hours of talks with member of the LCY Presidency Stefan Korosec.

Deng pointed out that Yugoslavia (?was the) first country to introduce reforms in socialism which were later taken as models by Chinese Communists.

Deng said that China was determined not only to continue its reforms, but also to deepen them since they have produced good results so far. Saying that he would step down from at least half of his present posts "in spite of the opposition of many comrades," Deng stressed that China's development would continue along the present lines. [passage omitted]

NPC STANDING COMMITTEE HOLDS PLENARY MEETING

OW160834 Beijing XINHUA Domestic Service in Chinese 0519 GMT 16 Jun 87

[Text] Beijing, 16 Jun (XINHUA) -- On behalf of the State Council, Vice-Minister of Finance Tian Yinong and Secretary General of the State Council Chen Junsheng respectively gave a "Report on the Final State Accounts of 1986" and a "Briefing on the Extraordinary Forest Fire in Daxinganling and Its Investigation" to the NPC Standing Committee today.

Chairman Feng Zhen attended the plenary session of the 21st Meeting of the 6th NPC Standing Committee.

During the plenary session, Vice Premier Qiao Shi explained a motion of the State Council concerning appointments and removals of responsible persons of the State Ministry of Supervision, the State Planning Commission, and the Forestry Ministry.

Vice Chairman Wang Renzhong chaired the plenary session today. Vice chairmen attending the session were Chen Pixian, Wei Guoqing, Geng Biao, Zhu Xuefan, Bainqen Erdini Qoigyil Gyaincain, Zhou Guoheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, and Hua Hua.

President of the Supreme People's Court Zheng Tianxiang, Vice Chairmen of the CPPCC National Committee Liu Lantao, Hu Ziang, Qian Changzhao, Chen Zaidao, Burhan Shahidi, Zhao Puchu, Ma Wenrui, Qian Xuesen, Lei Jieqiong, and Wang Feng, and Standing Committee members of the CPPCC National Committee in Beijing attended the plenary session as observers.

PAPER CITED ON SEPARATING PARTY, GOVERNMENT

HK160124 Hong Kong WEN WEI PO in Chinese 16 Jun 87 p 1

[Report: "Beijing Press Discusses Separation of Party and Government for the First Time"]

[Text] Beijing, 15 Jun -- As the date of the 13th National Party Congress draws near, trends of political reform are attracting more and more attention among Chinese and foreigners here. An article published today by GUANGMING RIBAO entitled "New Theory on Separation of Party and Government" is the first to directly touch on the core issue in China's political structural reform -- separation of party and government. This has aroused people's attention.

This article, signed by "Wu Shuzhi" [2976 2885 1615], points out that separation of party and government has been proposed in view of the defects in China's political setup of "lack of separation of party and government" and "replacement of the government by the party" and phenomena such as "the party monopolizing everything" and "interfering in everything." The reforms must precisely eliminate these defects.

The article stresses that so-called separation of party and government certainly does not mean that the party and government should be divided up and live apart, or that powers should be redistributed, and still less that the party and government should "sit as equals at the same table" with "equal shares." [paragraph continues]

What it does mean is drawing a clear line of distinction between party and government responsibilities and separating party and government functions, to achieve democratic and scientific party leadership over the government.

The article says that first we must, from theory to practice and from system to viewpoint, change the idea and method by which party leadership over everything means "monopolizing everything" or "holding contracted responsibility for everything." The state should be administered through the government, not through the ruling party. Deng Xiaoping has pointed out that the party should hold the leading position, but "the party cannot substitute itself for everything and monopolize everything. In particular it must not do so at this time." From the viewpoint of principle, the party organizations at all levels should as far as possible hand over to the government and the work departments a great deal of routine administrative work and business matters for them to deal with. Apart from grasping the principles and policies and deciding on major cadre employment issues, the party's leading organs should devote their main time and energy to ideological and political work and mass work. If they interfere in too many things, party leadership will be weakened if these are not handled well.

Second, it is necessary to clearly understand that the party's leadership functions and the state government's leadership functions are two different concepts. There are differences between them and they should not be lumped together. There is not the slightest doubt that the ruling party holds the power of leadership. However, the party cannot hold powers that exceed the Constitution and the law, nor can it exceed or substitute for the state power organs, administrative organs, and judicial organs in carrying out its activities; thereby, in conditions of no separation of party and government or the party substituting for the government, the party's leadership powers are frequently lumped together with those of the state organs and the administrative organs. The article stresses that there should be balances and checks on all powers. Powers that are not checked will decay if they go on in that way.

STUDENTS URGED TO END BOYCOTT OVER TOBACCO FACTORY

HK151234 Hong Kong AFP in English 1230 GMT 15 Jun 87

[By Nina McPherson]

[Excerpt] Beijing, June 15 (AFP) -- Beijing's Vice Mayor Zhang Baifa called on student protestors Monday to end their boycott of classes over a tobacco factory on their campus, they said.

He told students at the Central Institute of Finance and Banking the factory would be removed as soon as possible, students told reporters.

"Mr Zhang asked us to cease our classroom boycott and reassured us that the factory would be relocated to the suburbs as soon as possible," said a student as he was pushed away from a reporter by one of several security officers preventing access to the campus by journalists.

Security personnel took the names of students who spoke to reporters outside the institute gate, saying they required specific authorisation to speak to the foreign press.

Police also refused students at the institute permission to demonstrate in the street.

Teachers and institute workers interviewed outside the gate Monday evening said municipal officials had reneged on a promise to relocate the factory by June 30.

The six-day protest against the noisy and smokey factory by more than 1,300 students is the first campus unrest since a wave of demonstrations for greater freedom and democracy rocked the country last December Western observers said.

The workers and teachers interviewed said students had been under extreme pressure to end the protest from college leaders and high-ranking officials in the Finance Ministry and the municipal authority.

"The students are really irate but school authorities threatened to punish them if they did not return to classes by Monday," said one teacher, who asked not to be identified.

The kind of punishment envisaged was not specified, but Western analysts cited undesirable job assignments, black marks on lifelong political dossiers and possible expulsion from the institute.

They had been under "intense pressure" to resume classes since the government sent Vice Finance Minister Xiang Huaicheng to try to resolve the controversy over the factory, the teacher said. [passage omitted]

Students Defy Warnings

HK160126 Hong Kong SOUTH CHINA MORNING POST in English 16 Jun 87 p 6

[By unidentified correspondent in Beijing]

[Text] Students at a Beijing institute last night defied official warnings to end a five-day-old classroom strike and claimed teachers supported their demand that a cigarette factory be removed from the campus.

"The teachers agree with us," said an undergraduate from the Central Institute of Finance and Banking, where about 550 of the 1,100 students failed to turn up for classes yesterday morning.

They also pasted political posters on campus walls in the first major upsurge of student protest since nationwide pro-democracy demonstrations last winter.

The tobacco factory at the Central Institute was built in the politically charged days of the Cultural Revolution that began in the 1960s, when China's universities were closed.

For the past decade, students at the school have sought to have the factory shut, complaining that it produced health problems on campus.

The students had sought permission from the police to hold a street demonstration but the request was denied.

The numbers boycotting classes over the dispute had fallen, one youth said, after students heard a Voice of America radio report comparing the protest to the pro-democracy demonstrations in China last year.

"We did not want this to be linked with the trouble last year," he added. "It is not about democracy and freedom, we just want the factory to leave."

The undergraduate was standing outside the college gates, which were barred to journalists.

Part of Beijing's Agricultural University is still occupied by the People's Liberation Army (PLA), which took over its deserted offices in the 1960s.

Since last winter's wave of protests, China's college students have been subjected to intensive political and ideological education and the campuses have been quiet.

The demonstrations led to the forced resignation of the Communist Party chief, Mr Hu Yaobang, and provoked a hard-hitting political campaign against Western ideas and political values.

Last week, according to students, many students boycotted classes at the institute for four days. On Friday, several students ripped down a sign to the tobacco factory and burned it at a public gathering to protest about the plant's presence on campus.

Students unhappiness with the crackdown on free expression and Western ideas has appeared sporadically in recent weeks.

Three weeks ago, in Beijing elections for the local people's congress, the student constituency in the city's northwest district overwhelmingly elected the wife of Professor Fang Lizhi, who was expelled from the Communist Party in January for promoting Western ideas.

Professor Fang's wife, Mrs Li Shuxian, has said her election was a vote of support for her husband, an astrophysicist who was also stripped of his position as vice president of the country's leading science and technology university.

Concern that college students have not responded to the wave of propaganda has troubled administrators at Beijing University, according to several professors.

University officials have complained to many professors that the students did not show a correct political interest or commitment to their studies." [punctuation as published]

GRADUATES TO WORK IN GRASS ROOTS, LOCAL POSTS

OW151251 Beijing XINHUA in English 0933 GMT 15 Jun 87

[Text] Beijing, June 15 (XINHUA) -- Most of China's college and university graduates this year will be assigned jobs in local industries and grassroots organizations, a State Education Commission official said.

The exceptions are those who have studied in specialized majors such as foreign languages and finance.

Most of the 385,000 college graduates are on their way to the energy, transport, telecommunications, agriculture, education, textiles, raw materials, light and military industries instead of going directly to government offices, higher-learning institutions and research institutes, the official said.

Students fresh from teachers' colleges will find employment mostly in middle schools to promote the country's compulsory education programme, he said.

CHINA DAILY reported that this year's assignment work, which includes 23,000 post-graduate students, has been completed in most colleges and universities.

Most graduates will be sent to work in coastal areas and volunteers are encouraged to take part in exploration and development of remote and border regions, he said. Those from remote provinces and regions will be assigned to work in their home towns where they are needed urgently.

From now on, college graduates, including post-graduate students, must work at least one year at the grassroots level before getting jobs in government offices, higher-learning institutions and research institutes, the paper reported.

But he said the State Education Commission only assigns jobs to about 80 percent of college graduates while the jobs for the rest can be decided by the schools with the commission's approval.

As part of the state education reform, the official said the commission organized two large-scaled "demand and supply" meetings this year, gathering colleges and organizations in need of college students for face-to-face consultations. This marks a break from the tradition in which graduating students did not know where they were needed, he said.

RENMIN RIBAO COMMENTATOR STRESSES EDUCATION, REFORM

HK121224 Beijing RENMIN RIBAO in Chinese 12 Jun 87 p 1

[Commentator's article: "Depend First on Education and Second on Reform"]

[Text] "The macroclimate has changed!" This is a metaphorical expression people frequently use when commenting on the country's current political and ideological conditions. Indeed, thanks to the party's efforts, the bourgeois liberal ideological trend, which once ran rampant, has been checked, and the situation has changed drastically. Of course, this does not mean that the campaign against bourgeois liberalization has completely succeeded and that there is little to do in the future. On the contrary, as pointed out by some central leading comrades, we should carry on with this struggle and make it a healthy and thoroughgoing long-term struggle. The reason is that apart from the fact that many of the tasks assigned to us not long ago have yet to be fulfilled, bourgeois liberal ideas will continue to exist for quite a long time. We cannot solve the problem once and for all by working just for a short while.

Since the struggle against bourgeois liberalization is a long-term struggle, we should solve the problem not by means of movements, but by means of education. To make this struggle thoroughgoing is to thoroughly educate people in adhering to the four cardinal principles and in comprehensively and correctly understanding and implementing the line adopted by the party since the 3d Plenary Session of the 11th CPC Central Committee. This education does not tell us to rule out even the necessary ideological struggles or the necessary criticism and self-criticism. However, our efforts should always be dominated by positive education. To make positive education a success, it is necessary to combine theory with reality, to have definite objects in doing things, not to shrink from contradictions, to seek truth from facts, to try to convince people by reasoning with them, and to educate people in a lively and amiable manner. It is necessary to clearly understand this: Whether in writing articles or in presenting reports, we should make our articles readable and our reports worth listening to, and our articles and reports should be such that after reading or hearing them, people will be enlightened and feel that they are worth reading or listening to. Otherwise, they are useless. Not long ago, people found some articles in our newspapers and journals quite readable. Recently, some theoretical workers have published in various newspapers talks addressed to young people and they have drawn positive responses from the masses. However, too few of them have been produced. We should continue to work hard. The effects of positive education depend not on the quantity of such articles and reports, but on their quality.

We rely on both education and reforms for a solution to the problem of bourgeois liberalization. Some people have accepted bourgeois liberal ideas or are influenced by them simply because they feel that socialism is inferior to capitalism, and the East is inferior to the West. Bourgeois liberal ideas will continue to be quite marketable until the superiority of the socialist system can be clearly seen. China can develop its productive forces, perfect and develop its socialist system, and demonstrate the superiority of socialism only by carrying out reforms. Thanks to the reforms and the implementation of an opening policy over the past 8 years or so, production have developed, the economy has been invigorated, the people's living standards have improved, the reputation of socialism is better today than at the time when people "preferred socialist grass," and our party now has greater cohesive power. So long as we persistently carry on with the reforms and unremittingly give impetus to the country's socialist modernization, we can, in a few decades, turn the country into a moderately developed country, completely shake off poverty and backwardness, and show that socialism is superior to capitalism. By then, bourgeois liberalization will be much less marketable and similar ideological problems can be more easily solved. This is not to deemphasize the value of political and ideological education. Regular political and ideological education is still very necessary. However, facts are more convincing than eloquent theories. Practice is the best classroom [as published]. One is more convincing if one uses facts and practice to dispel doubts and to answer views against the socialist system.

Thus, we rely first on education and second, on the reforms, for a solution to the problem of bourgeois liberalization. However, in the final analysis, we should rely on efforts to develop productive forces and to build socialism, which is superior to capitalism. This is the reason why it is clearly stated in central documents that the campaign against bourgeois liberalization must not be associated with the country's policy of carrying out economic reforms, its rural policy, or other things and that it must not be allowed to affect the pursuit of the policy of carrying out reforms, opening up the country to the world, and revitalizing the domestic economy. In the course of our campaign against bourgeois liberalization, we should avoid hindering the reforms. [paragraph continues]

On the contrary, we should pay attention to and support the reforms, value and protect their fruits, and value and protect the people's enthusiasm for the reforms. Only by doing all this can we act in the spirit of the line adopted since the 3d Plenary Session of the 11th CPC Central Committee and fulfill the purpose of the campaign against bourgeois liberalization.

TA KUNG PAO EDITORIAL ON CHINA'S REFORM PROBLEMS

HK150240 Hong Kong TA KUNG PAO in Chinese 15 Jun 87 p 2

[Editorial: "Economic Reforms To Be Speeded Up, Political Reforms To Be Tabled"]

[Text] When meeting a Yugoslav guest last week, Deng Xiaoping again reaffirmed that China's reform is an all-round affair, including economic and political structural reforms, and corresponding reforms in other fields. He also emphatically pointed out that proceeding steadily does not mean coming to a halt, and that the reform must be speeded up. Schemes for political structural reform now seem to be ready to come out when called and will be put into practice after the 13th party congress in October. Hence, Zhao Ziyang revealed to newsmen in Prague on 13 June that the 13th Party Congress will be an epoch-making event.

Some time ago there was strong reaction in the Hong Kong and Macao regions and abroad due to the resignation of Hu Yaobang and the CPC call for opposition to bourgeois liberalization. There was universal concern over whether China's reforms would slow down. Would the open policy be tightened up? Would the drive against bourgeois liberalization be expanded? Developments in recent months, and a series of speeches by central leaders, have given a negative answer to these questions. People's worries are now gradually clearing away. Far from being changed, China's current effective policies of reform and opening up are being developed in greater depth. The country's door, already open, will be opened still wider and will not be closed again.

Generally speaking one could say that there were both close and distant causes for the emergence of these worries. Their main point in common was that they resulted from setting adherence to the four cardinal principles against the policy of reform and opening up; people held that if the four cardinal principles were adhered to, it was impossible to pursue reform and opening up, and if reform and opening up were pursued, then the four cardinal principles must be discarded. This is a one-sided view. Zhao Ziyang has given an incisive exposition on the relationship between the two in light of these misinterpretations. He pointed out that the four cardinal principles are the fundamental thing in building and governing the country, while reform, opening up, and invigoration are the general principle and policy for building socialism with Chinese characteristics. These two basic points are mutually united and as close as lips and teeth. He repeatedly reminded everyone that if one interprets the four cardinal principles from an ossified viewpoint, one would end up by excluding reform and negating opening up and invigoration; on the other hand, if one looked at reform and opening up from the viewpoint of bourgeois liberalization, one would certainly end up by negating the four cardinal principles. It can therefore be predicted that China will clear away interference of two kinds for a long time to come, that is, it will oppose both liberalization and ossification. Generally speaking, however, the main thing is to clear away interference from the "left."

Why do we say that "leftist" interference is the main danger? The historical reason is that "leftist" mistakes lasted the longest and did the most harm. [paragraph continues]

Deng Xiaoping recently pointed out: beginning in 1957, the CPC's mistakes were mainly "leftist," and the "Great Cultural Revolution" was ultra "leftist." These things caused China to stagnate for 20 years. Although the work of bringing order out of chaos has been done, the influence of "leftism" that formed over a long period cannot be underestimated. The current reason for saying that "leftist" interference is the main danger is that "leftist" thinking and work methods are very deep rooted and have formed into a kind of force of habit in society. Not many people in China openly oppose reform today, but when formulating or carrying out specific policies, habitual things make their appearance and there is always some hankering for the past. Tianjin City Mayor Li Ruihuan said at a press conference for Chinese and foreign newsmen last week, when you are opposing liberalization, you should be on guard against the emergence of ossification and against promoting ossified viewpoints. Li Ruihuan obviously said this with feeling, and we hope that it will arouse close attention and precautionary measures by the sectors concerned in China.

Although the main threat facing China today comes from "leftist" interference, there are also rightist things characterized by advocating "total Westernization." This trend also does not help reforms and opening up, and so the CPC has proposed that "leftism" or rightism should be opposed as appropriate. However, in carrying out the current opposition to bourgeois liberalization, the CPC set strict demarcation lines and limits right from the start. In practice, far from expanding the opposition, this has stimulated the healthy development of reform and opening up. A recent RENMIN RIBAO commentator's article put it even more clearly: In resolving the problem of bourgeois liberalization, we should rely on education and on reform, and in the final analysis we rely on developing the social productive forces and building a socialism superior to capitalism. The experiences of China and other socialist countries show that if the economy is not run well, socialism may lose its attraction; and when reforms succeed in bringing into play the superiority of socialism, the market for bourgeois liberalization will be greatly contracted. The proposal that education and reforms should be relied on in resolving the problem of bourgeois liberalization is completely realistic. If only education is stressed without reforms, the people will not gain tangible benefits, and education will lack conviction and can thus hardly be trusted by the people. Ideological and political education is important in a socialist country, but the lesson of failure in boundlessly exaggerating the role of the spiritual aspect still deserves committing to memory.

GUANGMING RIBAO COMMENTATOR WRITES ON THEORY, REFORM

HK150730 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0429 GMT 15 Jun 87

[Text] Beijing, 15 Jun (ZHONGGUO XINWEN SHE) -- Generally speaking, theoretical studies in China still lag behind the practice of reform. Today's GUANGMING RIBAO commentator's article appeals to theoretical workers to change this state of affairs as soon as possible.

The article cites examples of how theoretical work lags behind the practice of reform, saying that many reform measures in China still lack careful and thorough theoretical verification; some effective reforms carried out by comrades in the grass roots have not been fully explained in theory; and correct theoretical answers have not yet been provided for many of the masses' views on reform.

The article points out that unless the situation of theory lagging behind the practice of reform is changed, it is bound to affect the progress of reform. To speed up the pace of economic structural reform, we must strive to make theoretical studies catch up with the development of reform.

The article says that the conditions are fully ripe for changing the situation of theory lagging behind practice. It is hoped that the theoretical workers will go deep into the practice of reform and construction, into the rural areas and the industrial and commercial enterprises, and among the masses, to study the new experiences in reform and construction and the new problems that arise. In particular, they must strive to provide theoretical answers to questions of concern to the masses.

RENMIN RIBAO VIEWS REFORM, DENG XIAOPING'S WORKS

HK130631 Beijing RENMIN RIBAO in Chinese 1 Jun 87 p 5

[Article by Su Ji (5685 0679): "The Great Guiding Principle of Reform, Opening to the Outside World, and Invigorating the Domestic Economy: Studying 'Building Socialism with Chinese Characteristics' (Enlarged Edition) and 'Selected Works of Deng Xiaoping'"]

[Text] The line since the 3d Plenary Session of the 11th CPC Central Committee calls for building socialism with Chinese characteristics in light of the realities of China. This line involves two basic points. One calls for upholding the four cardinal principles. The other calls for upholding the main guidelines and the general policy for reform, openness, and revitalization. Just as Comrade Zhao Ziyang said, it was Deng Xiaoping who took up the two basic points earliest and most frequently and most thoroughly. "Every one of us should properly study Comrade Deng Xiaoping's exposition on these two areas."

Some time ago we seriously studied Comrade Deng Xiaoping's expositions on upholding the four cardinal principles and the struggle against bourgeois liberalization. Meanwhile, we should also seriously study a series of expositions by Comrade Deng Xiaoping on reform, openness and revitalization in the two works, "Selected Works of Deng Xiaoping" (briefly called "Selected Works" hereinafter) and "Build Socialism With Chinese Characteristics" (an enlarged edition, hereinafter briefly called the "Socialism"). Only in this way can we thoroughly understand and correctly carry out in an overall manner the line since the 3d Plenary Session of the 11th CPC Central Committee.

I.

The introduction of reform, openness, and revitalization is not a policy to be followed as we please, but is instead dictated by the realities of China.

First, it is to meet the ends of the development of productivity. As early as before the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping suggested the idea of reform. He pointed out: The realization of modernization is a great revolution. "This revolution calls for changing the current backward level of productivity in a big way. It naturally requires us, in many respects to change the production relations, the superstructure, industrial and agricultural enterprises' management methods and the state's way of controlling industrial and agricultural enterprises, in order to bring them in line with the needs of the modern mass economy." (Footnote 1) ("Selected Works," p 125) Later, he again reiterated that to realize great goals by the end of the century and to approach the level of developed countries in the world in the middle of the next century, we cannot do without a policy of revitalizing the economy at home and opening up to the outside world economically. [paragraph continues]

"To develop productivity, we must reform our economic system and follow the policy of opening up to the outside world." "For us to develop productivity, we must traverse the road of the reform of the economic system." (Footnote 2) ("Socialism," pp 116-117) "Failure to reform the political system will hamper the development of productivity and the efforts to make modernization successful." (Footnote 3) ("Socialism," p 138)

Second, this is to meet the need of fully implementing the superiority of the socialist system. Comrade Deng Xiaoping pointed out: "If socialism means poverty all the time, then it cannot hold its own." "Without emancipating the mind, without going down to earth, without proceeding from reality, and without integrating theory with practice we cannot follow the existing set of general and specific policies. We cannot fully mobilize the enthusiasm of the people. We cannot do a good job of demonstrating the superiority of the socialist system through modernization." (Footnote 4) ("Selected Works," p 176) "We must use and surely can use numerous facts in the days ahead to prove that the socialist system is superior to the capitalist system. This must be expressed in many respects, but first it must be expressed in the pace and results of economic development. Without this, more bragging will not help." (Footnote 5) ("Selected Works," p 215) "Reforming the leadership system of the party and the state, and other systems will fully display the superiority of the socialist system and accelerate the development of the cause of modernization." (Footnote 6) ("Selected Works," p 282) He stressed that reforming the organizational structure and the economic system is one of the four guarantees for upholding the socialist road. "Is it not a case of four adherences? This is really upholding socialism. Otherwise, it will be a case of the 'gang of four' 'wanting the weeds of socialism rather than the seedlings of capitalism.'" (Footnote 7) ("Socialism," p 78)

While touching on the need to introduce reforms and openness, Comrade Deng Xiaoping also pointed out many times the protracted nature of reform and openness, and stressed that there would be no change in the policy of reform and openness. He pointed out: "Reform is everyone's idea and the people's demand." (Footnote 8) ("Socialism," p 106) "We have scored great achievements since the 3d Plenary Session of the 11th CPC Central Committee." "But our strength now is still limited. Until the end of the century we will still be in the stage of getting rid of poverty." (Footnote 9) ("Socialism," p 159) "We want to make it clear to the world that no one can change these guidelines, policies and strategies that we have now formulated. Why? Experience shows that they are correct. A change will cause losses to the state and to the people. So the people are not for it [a change in policy]." (Footnote 10) ("Socialism," p 71) "Our policy is unlikely to change. Any change will only be a change for the better. The policy of opening up to the outside world can only change in the direction of being more open. The road will become wider as we traverse it and not narrower. The pain caused when the road gets increasingly narrow is what we have had a full taste of. If we retrace the old path where would we head? We can only slide back into a state of backwardness and poverty." (Footnote 11) ("Socialism," p 16) "Invigorating the domestic economy and opening up to the outside world economically is not a short-term policy but a long-term one. There will be no change for at least 50 to 70 years." With the lapse of 50 to 70 years, "there will especially be no need for a change then. Given a change, it can only be a change in the direction of being more open. Otherwise, our own people will likewise not agree." (Footnote 12) ("Socialism," p 68)

II.

Comrade Deng Xiaoping fully discussed the reform of the economic system.

At the work conference of the CPC Central Committee on the eve of the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping clearly pointed out the defects in the existing economic management system, indicating the need for a reform. He said: "Our current economic management system allows for the overconcentration of power. There should be courage in transferring power to lower levels in a planned manner. Otherwise, this will not help in fully mobilizing to the activism of the state, the area, the enterprise and the worker. This also does not help to realize modern economic management and to raise labor productivity. The area, the enterprise and the production team should be allowed to have more decisionmaking power in matters of operations and management." (Footnote 13) ("Selected Works," p 135) "Our current economic management work is marked by overstaffed organizations, overlapping levels, complicated procedures, and extremely low efficiency. Political nonsense often makes a failure of everything. This is not the responsibility of any comrades. The responsibility rests with our having failed to suggest reform quickly enough. But if we drop reform now our modernization cause and the socialist undertaking will go down the drain." (Footnote 14) ("Selected Works," p 140)

Comrade Deng Xiaoping highly valued our rural reform and also made it clear in reform why we must start with the countryside first. He said: "The rural reform carried out in the past few years is a reform of revolutionary significance." (Footnote 15) ("Socialism," p 67) "Reform must first start with the countryside. The contents of the rural reform, generally speaking, call for practicing the responsibility system, giving up the practice of equally sharing in the big rice pot, and arousing the enthusiasm of the peasants. Why should we start with the countryside first? Because 80 percent of China's population is in the countryside. If the problem of life for 80 percent of the population is not solved, there will be no social stability. Industrial development, and commercial and other economic activities cannot be based on the poverty of 80 percent of the population. The rural reform after 3 years of practice, has been proved a success." (Footnote 16) ("Socialism," p 105)

Comrade Deng Xiaoping pointed out: The urban reform is more complicated than the rural reform and it is also risky. But the urban reform will also be a success. He said: "The line followed in the countryside cannot be brought in its entirety to the city. The city is more complicated than the countryside. It involves industry, commerce, the service trade, and also science, education, culture, and other areas." "The rural reform has yielded results after 3 years. Obvious changes can generally be seen in the urban reform only after 3 to 5 years. Meanwhile, we must also realize that given the complicity of the urban reform, there are likely to be mistakes. But this will not affect the situation as a whole. We play it by ear with every step we take. When something goes wrong, setting things right will do." (Footnote 17) ("Socialism," p 67) "The principle we now define states that we must be bold and advance steadily. To be bold is to carry on firmly and unswervingly. To advance steadily is to set problems straight quickly as we discover them." (Footnote 18) ("Socialism," p 106)

Concerning the aim of reform, the fundamental principles that should be upheld in reform, and the yardstick with which to judge whether reform is in order, Comrade Deng Xiaoping drew a scientific inference. He pointed out: "All the policies that we have adopted about openness, revitalization, reform, and so forth are aimed at developing the socialist economy. We allow the development of the individual economy and also the development of Sino-foreign joint ventures and foreign-funded enterprises. But the system of public ownership will always be taken as the core. [paragraph continues]

The socialist aim is the common prosperity of the people of the whole country and not polarization." (Footnote 19) ("Socialism," pp 98-99) "In reform we have all along adhered to two fundamental principles: One calls for the socialist public ownership economy as the core. The other calls for common prosperity. The planned use of foreign capital and the development of an individual economy sector are all subordinate to the main demand for the development of the socialist economy. Encouraging a number of areas and a number of people to get rich first is also aimed at guiding more and more people toward getting rich, with the aim of realizing common prosperity." (Footnote 20) ("Socialism," p 121) "Summarily, the yardstick for judging whether our various tasks are properly handled should be based on whether a task helps to build socialism with Chinese characteristics, to enhance the economic growth of the country, and to promote the wealth and happiness of the people." (Footnote 21) ("Socialism," p 12)

Comrade Deng Xiaoping's highly favorable assessment of the tremendous achievements in reform is of far-reaching significance. He said: "Reform has stimulated the development productivity and given rise to a series of profound changes in economic life, social life, the work pattern, and the state of mind. Reform is a matter of self-perfection for the socialist system. A certain degree of revolutionary change also takes place within given limits. This is a big event. It shows that we have already started finding a socialist road to socialism with Chinese characteristics." (Footnote 22) ("Socialism," p 121)

III.

On the policy of opening up Comrade Deng Xiaoping also provided systematic expositions.

First, Comrade Deng Xiaoping clarified the necessity to and the possibility of carrying out the policy of opening up. He said: "The world now is an open one. China's backwardness in history is attributable to its self-imposed isolation from the world. After the founding of the PRC people imposed an embargo on us. To a certain degree, we also isolated ourselves. This brought us certain difficulties. Some 'leftist' policies also caused us disasters, especially the 'Great Cultural Revolution.' In brief, our experience in the past 30-plus years shows that it does not work to undertake construction behind closed doors and bring about development." (Footnote 23) ("Socialism," p 54) "To become developed no country can shut itself off from the world." "Given no opening up and a return to isolation, we definitely could not approach the level of economically developed countries in 50 years." (Footnote 24) ("Socialism," p 77)

Comrade Deng Xiaoping pointed out: Introducing the policy of opening up still calls for upholding the guideline of mainly relying on our own resources. He said: "We must introduce the policy of opening up, on the one hand. On the other, we must still uphold the guideline of self-reliance which Chairman Mao advocated all along since the founding of the PRC. On the basis of self-reliance we must strive for foreign aid. We must mainly rely on our own hard struggle." (Footnote 25) ("Selected Works," p 361) "For a big country like China to get involved with construction, self-reliance must be achieved. We must mainly rely on ourselves. This is known as regeneration through one's own efforts. But while upholding self-reliance we must still open up to the outside world and introduce foreign capital and technology to help our development." (Footnote 26) ("Socialism," pp 67-68)

Comrade Deng Xiaoping pointed out: "We have decided to open up in two areas. First, we must open up to the outside world. [paragraph continues]

Second, we must seek liberalization at home." (Footnote 27) ("Socialism," p 105) "In opening up to the outside world some people still fail to have a clear idea of things. They think that it is just a matter of opening up to the West. In fact, we are opening up in three areas. ...First, we are opening up to developed Western countries, which are the main sources of foreign capital, technology, and so forth that we draw on. Second, we are opening up to the Soviet Union and Eastern European countries.... Furthermore, we are opening up the development Third World countries." (Footnote 28) ("Socialism," p 87)

Some comrades worried that introducing the policy of opening up would lead to a switchover to capitalism. Comrade Deng Xiaoping said: "There will be no such effect, no such effect. Some negative factors may ensue. These problems must be understood. But it is not difficult to solve them." "Do not be afraid. The greatest benefits go to the state and the people and not to capitalism." (Footnote 29) ("Socialism," pp 77-78) "By introducing the policy of opening up we absorb something wholesome from capitalist society as a supplement in the development of socialist productivity." (Footnote 30) ("Socialism," p 142) Will opening up to the outside world impinge on our version of socialism? Comrade Deng Xiaoping said: "I think that this is unlikely. Our country takes the socialist economy as the core. The socialist economic base is very vast. The absorption of several tens of billions and up to 100 billion [not further clarified] in foreign capital can have no detrimental impact on our socialist base. Moreover, we uphold the socialist principle of distribution and do not seek polarization. Thus, the foreign capital we absorbed can definitely be an important supplement to our socialist construction effort. Today, it seems that this can be claimed as an indispensable supplement. Of course, this brings some problems. But the ensuring negative factors are, after all, negligible compared to the position results obtainable there in accelerating development. There is some risk, but not a lot of risk." (Footnote 31) ("Socialism," p 55)

Comrade Deng Xiaoping called the attention of all party comrades to this point: Given the conditions with the practice of openness, we must make a point of guarding against the invasion of decadent capitalist ideas. He pointed out: "We must introduce in a planned and selective manner the advanced technology of capitalist countries and other things useful to us. But in no way should we follow or introduce the capitalist system. We can not imitate or introduce various ugly and decadent things." (Footnote 32) ("Selected Works," p 154) He said: "We continue to maintain exchanges with Western countries friendly to us and we continue to persistently learn everything about capitalist countries which is useful to us. But in the ideological and political fields we must criticize and oppose the trend toward worshipping capitalism and advocating bourgeois liberalization;" criticize and fight the bourgeois decadent idea of benefitting oneself at the expense of others and pursuing profits as the only goal, with "an obsession for money in all matters;" and criticize and fight anarchism and extreme individualism. "We must promote the spirit of patriotism and bring national pride and confidence to a higher level. Otherwise, we cannot succeed in building socialism and will end up being invaded and corrupted by various capitalist influences." (Footnote 33) ("Selected Works," p 328) Comrade Deng Xiaoping especially emphasized this point: "From developed capitalist countries we must acquire advanced science, technology and ways of management and all other things in matters of knowledge and culture which are useful to us. It is stupid to shut ourselves off from the world and stay in a rut. But concerning things in the cultural field, we must apply Marxism in analyzing, assessing and criticizing their ideological contents and their ways of expression. (Footnote 34) ("Socialism," p 323)

Comrade Deng Xiaoping has said again and again that opening up to the outside world is not a short-term but a long-term policy. [paragraph continues]

There will be no change. "Given no change in the policy of opening up in the first 50 years of the next century and then given our more complicated economic exchanges in the international field and the need for greater interdependence and cooperation in the latter 50 years, there will especially be no need to change the policy of opening up. (Footnote 35) ("Socialism," p 93) "The policy of opening up carried out by China is correct and has brought great benefits. If there is anything left to be desired it is that we have not carried the matter of opening up far enough. We must continue opening up and to a still greater degree." (Footnote 36) ("Socialism," p 160)

IV.

Comrade Deng Xiaoping has also attached unusually great importance to the reform of the economic system and to the reform of the political system. As early as on 18 August 1980, at the enlarged meeting of the Central Political Bureau he gave an important speech, "The reform of the leadership system of the party and the state," in which he raised the problem of political reform. Since 1986 he has on many occasions talked about the political reform, putting forth a series of important views.

He said: "In certain concrete systems which have now been introduced by the party and the state, many defects remain, interfering, and even seriously, with the development of the superiority of socialism. If we are not serious in carrying out reforms we can hardly meet the urgent needs of modernization. We will seriously drift away from the masses." (Footnote 37) ("Selected Works," p 287) The management system contains an overconcentration of power, which "can be described as the main root of bureaucratism now peculiar to us." "Of course, bureaucratism also has to do with the ideological style. But as long as the problem of systems is not solved, the problem of the ideological style can also not be solved." (Footnote 38) ("Selected Works," p 288)

Comrade Deng Xiaoping pointed out that in order to avoid mistakes like the "Great Cultural Revolution" we must start with the reform of systems. A country like ours has a history of several thousand years of feudal society; it lacks socialist democracy and the socialist legal system. "Some of our systems in the past were actually affected by feudal influences, including personality cult and the patriarchal system or patriarchal behavior, and even lifetime tenure for the post of a cadre." "Now we must seriously establish a socialist democratic system and a socialist legal system. Only in this way can we solve problems." (Footnote 39) ("Selected Works," p 307)

In light of the need to deepen the development of the economic reform, Comrade Deng Xiaoping also made clear the necessity and urgency of the political reform. He said: "With every step we take forward now in the economic reform we deeply feel the necessity of the political reform. Failure to reform the political system will hamper the development of productivity and efforts to make modernization successful." "The important thing is that the political system is not suited to the demands of the economic system. Therefore, without introducing a political reform we cannot safeguard the results of the economic reform and we cannot bring about the continuous advance of the economic system." (Footnote 40) ("Socialism," p 138) "The ultimate success or failure of all our reforms is determined by the reform of the political system because things are done by people." (Footnote 41) ("Socialism," p 137)

Concerning the aim and direction of the political reform Comrade Deng Xiaoping explained things from different angles: "To reform the leadership system of the party, state, and other systems will fully enhance superiority of the socialist system and accelerate the development of the cause of modernization." (Footnote 42) ("Selected Works," p 282) [paragraph continues]

"The reform of the leadership system of the party and the state is not intended to weaken party leadership and cause a laxity in party discipline. Instead, the very aim is to uphold and strengthen party leadership and party discipline." (Footnote 43) ("Selected Works" pp 300-301) "The main direction for these reforms calls for promoting and guaranteeing inner-party democracy and promoting and guaranteeing people's democracy." (Footnote 44) ("Selected Works," p 332) "The aim in carrying out the political reform, generally speaking, is to get rid of bureaucratism and arouse the activism of the people and basic-level units." (Footnote 45) ("Socialism," p 139)

On the contents of the political reform Comrade Deng Xiaoping pointed out that we should alternate a little discussion with a little reasoning to find a clue by reasoning things out. He contended: "The first thing is to separate party functions from government administration and to solve the problem of how the party should exercise leadership and be good at doing it. This is the main point. Another thing is how to delegate power to lower levels and solve the problem of relations between the central government and localities. Meanwhile, the problem of delegating power also involves various levels within a locality. Still another problem is how to streamline administration. This has to do with the delegation of power. One more thing is how to improve efficiency." He specially pointed out: "In reform we cannot borrow everything Western in its entirety and we cannot promote liberalization." (Footnote 46) ("Socialism," pp 140-141)

Comrade Deng Xiaoping stressed that in reforming the political system we must do a good job in investigating and studying and take a prudent approach. He said: "People and things involved in every reform cover a wide range. There is an effect on the interests of many people. Many obstacles are likely to stand in the way. There is a need for greater prudence in approaching things." "For such a vast country the conditions are too complicated. Reform is no easy matter. Any policy decision must therefore be based on prudence. After seeing the relatively great possibility of success we will then start making more decisions." (Footnote 47) ("Socialism," pp 138-139) "We may take time to investigate and study, sort problems out and then start acting." (Footnote 48) ("Socialism," p 137) He hoped that by the 13th National People's Congress a blueprint for political reform could be presented.

V.

To ensure that measures of reform and openness are carried out triumphantly in the correct direction, Comrade Deng Xiaoping put forward the following rules:

1. We must uphold the four cardinal principles, oppose bourgeois liberalization, and maintain a political situation of stability and unity. He said: We will not change domestic and foreign policies, like maintaining independence with the initiative held in our own hands, carrying out the democratic legal system, opening up to the outside world and enlivening the domestic economy. "All these policies are based on the four cardinal principles. For that matter, we will especially seek no changes and we will not be shaken in our confidence. Otherwise, our society will be in chaos. There will be no more talk about stability and unity. Anything said about construction, reform and revitalization will become nonsense." (Footnote 49) ("Socialism," p 126) "To seek modernization and introduce the policy of opening up, we cannot get involved with bourgeois liberalization. Given the development of liberalized thinking, our cause will be ruined. In short, one aim is to have a stable political environment. Without a stable political environment we cannot talk about doing anything." (Footnote 50) ("Socialism," p 110)

2. We must seek truth from facts, emancipate our minds and integrate theory with practice. Comrade Deng Xiaoping pointed out: Given the achievements we have scored, if there is any experience gained, it is that we have in the past few years reaffirmed the principle of seeking truth from facts advocated by Comrade Mao Zedong, integrating the fundamental principles of Marxism-Leninism with the realities of China and following our own road. (Footnote 51) ("Socialism," p 82) Comrade Deng Xiaoping stressed: We must first emancipate our minds. "Only by emancipating our minds, can we correctly use Marxism-Leninism-Mao Zedong Thought as a guide in solving problems left over from the past and in solving a series of new problems which crop up. And only in this way can we correctly reform production relations and a superstructure which is incompatible with the accelerated development of productivity and define the concrete road and general and specific policies and measures for the realization of modernization in light of the actual conditions in our country." (Footnote 52) ("Selected Works," p 131) He greatly valued the discussion on the problem of the criterion of truth: "The discussion of the problem of the criterion of truth has had tremendous stimulating effect on a series of reforms we have carried out in the political, economic organizational and other fields in the past few years and on the marked achievements we have scored on various fronts." (Footnote 53) ("Selected Works," p 323) He criticized some comrades for equating reform with capitalism: "Some comrades, without giving adequate attention to investigation and analysis, equate some of our existing reforms conducive to the development of production and the socialist cause with capitalism and criticize them. This is not right. What things in bourgeois thinking must be resolutely criticized and checked in their growth? What capitalist trends in economic life must be resolutely overcome and resisted? And how should they be criticized correctly? These questions still call for continuous studies and working out proper stipulations to avoid repeating previous mistakes." (Footnote 54) ("Selected Works," p 298)

3. We must correct the party style. Comrade Deng Xiaoping pointed out: Given the proper handling the work of correcting the party style we can really stimulate reform and construction. The correction of the party style "must permeate through our whole process of reform. Openness and revitalization naturally bring with them something undesirable. Failure to cope with it in opening up and invigorating the economy will lead us astray. Therefore, this is a long-term task. The business of correcting the party style, correcting unhealthy trends and cracking down on crimes will last as long as the policy of opening up and invigorating things lasts. Only by doing this can we guarantee the correct implementation of our policy of opening up and invigorating things." (Footnote 55) ("Socialism," p 137)

4. We must make things about reform and relevant problems clear to the masses. We must educate party members and the masses so that they can abide by the situation as a whole. Comrade Deng Xiaoping pointed out: "In the process of realizing modernization new conditions and new problems will naturally appear that we are not familiar with that we have not envisioned. The reform of production relations and the superstructure in particular will not be all plain sailing. They involve a very wide area and concern the personal interests of a large number of people. Various complicated conditions and problems will certainly appear. We will run into numerous obstacles." "For that matter, we must have adequate ideological preparations. We must teach party members and the masses to abide by the situation as a whole and attach importance to the overall interests of the party and the state. We should have full confidence. As long as we trust the masses, follow the mass line and make issues and problems clear to the masses, any problem can be solved and any obstacle can be overcome." (Footnote 56) ("Selected Works," pp 142-143)

RENMIN RIBAO COMMENTATOR ON PLAIN LIVING

HK140410 Beijing RENMIN RIBAO in Chinese 9 Jun 87 p 1

[Commentator's article: "Persisting in Hard Struggle"]

[Text] The Hengdong Lead-Zinc Mine in Hunan is a county-owned mine built up with 20 hammers and a loan of 2,000 yuan. Production of the mine has gradually developed from a manual operation to a mechanized and semimechanized one. With the capacity of excavating and dressing 800 tons of ore daily and an annual output value of 10 million yuan, the mine now has more than 1,000 staff and workers and fixed assets valued at around 10 million yuan. The lead, zinc, and other metals and fluorite powder of this mine are marketed at home and abroad. The quality of its fluorite powder has reached an internationally advanced standard and its export has increased. In the 21 years since its founding in 1965, the mine has created over 35 million yuan for the state, turned over 23 million yuan in profits and taxes, earned around \$10 million in foreign exchange, and given 3 million yuan as free aid to rural areas and township enterprises. Over the past 10 years, the mine has been chosen as an advanced enterprise by the Ministry of Metallurgy, and the provincial, city, and county authorities, respectively. The leading comrades of the central authorities have also spoken highly of this mine.

What did the small mine which started from scratch and developed with local methods rely on to achieve such great successes and make significant contributions to the state? Instead of state investment, the mine relied mainly on the workers' sense of responsibility, the fine tradition of plain living, hard struggle, and building the country with thrift and industry, and their labor accumulation. They persisted in the spirit of "preferring to sweat more than to trouble the state" for 20 years rather than a short period of 3 to 5 years. This is highly recommended.

This mine could persist in the fine tradition for 20 years because they relied on the powerful ideological and political work, made the spirit of plain living and hard struggle take root in the hearts of cadres and masses, and fostered the atmosphere of bearing hardships and making more contributions throughout the mine. When the workers realized that running an enterprise with thrift and industry could save money for the state, develop the mine, and improve their living standard, they proudly held that although they underwent hardship, they found pleasure in it. The key to carrying forward the spirit of plain living and hard struggle from generation to generation lies in leading cadres. There was a rule for the leading cadres of this mine, that is, they never divorced themselves from the general principle of plain living, hard struggle, and building the country with industry and thrift while thinking through problems, making policy decisions, and performing duties. In production, they joined the workers, guided and inspected production, and solved problems promptly, thus constantly improving the level of production and management. In construction, they did not wait or ask for anything. They did not spend a fen for the things that they themselves could do. In addition, they did not seek personal privileges. While distributing houses, they put the needs of technical personnel and workers above those of cadres. With the increase of their export products, they had to receive more foreign businessmen. For this reason, the departments concerned suggested that they build a "presentable" guesthouse and promised to give them some investment money. However, the leading cadres of the mine refused for the following reason: The building of a guesthouse would cost a lot but bring little benefits. [paragraph continues]

Moreover, it would encourage the unhealthy tendency of ostentation and extravagance. The party committee of the mine had the following motto: "No matter which tendency is prevailing outside, we will persist in the principle of plain living, hard struggle, and building the country with industry and thrift." The exemplary role of leading cadres was like a silent order. Consequently, the workers of the whole mine vied with one another to sweat more and contribute to the four modernizations.

Practice of this mine has proved that "we would rather sweat more than trouble the state" is not a simple slogan or a reckless act. It can only be realized by integrating the spirit of plain living and hard struggle with a serious scientific attitude, respecting knowledge and talented people, and pooling the wisdom of the masses. During the years of the "Cultural Revolution" when intellectuals were looked down upon and ill-treated, the mine carried out its "local policies" to protect the engineers and technicians and made things convenient for them so that they could get rid of the unnecessary worries in political affairs, work, and livelihood and contribute to the development of the mine. With the concerted efforts of engineers, technicians, and workers, the mine has carried out technical transformation of 62 projects and 1,300 items since 1970. As a result, the annual output value of the mine has increased 96 times.

The spirit of plain living and hard struggle characterized by "rather sweating more than troubling the state" of this mine is our precious heritage. It conforms to the requirement of building socialism with Chinese characteristics. One of the important principles for carrying out reform is to increase output with less investment and attain better economic results. The method of work of this mine also conforms to the requirement of reform. At a time when the CPC Central Committee and State Council have raised the call of increasing production and practicing economy and increasing income and retrenching expenditure, the deeds and experience of this mine are worth publicizing and spreading to other parts of the country. They should also serve as a mirror for the units that have frequently asked the state for investment and have gone in for ostentation and extravagance.

GONGREN RIBAO COMMENTATOR ON EMANCIPATING THE MIND

HK150336 Beijing GONGREN RIBAO in Chinese 27 May 87 p 1

[Commentator's article: "We Must Further Emancipate the Mind"]

[Text] Today when we are stressing upholding the four cardinal principles and adhering to the policy of reform, opening up to the outside world, and economic invigoration, should we continue to emancipate the mind? In other words, can we continue to emancipate the mind? It can be said that some comrades have not had a very clear understanding of this matter.

The slogan "emancipate the mind" has long been raised. However, it was not until after the 3d Plenary Session of the 11th CPC Central Committee that it was really accepted by the whole party and put into practice. Through the party's effort to bring order out of chaos in its guiding ideology and the mass discussion of the question of the criterion of truth, the broad masses of the people have emancipated their minds both in theory and practice and smashed "forbidden zones" one after another, thus bringing an unprecedentedly lively atmosphere to the country's political and economic life.
[paragraph continues]

Just as the communique of the 3d Plenary Session of the 11th CPC Central Committee pointed out: "Only if comrades of the whole party and the people of the whole country, under the guidance of Marxism-Leninism-Mao Zedong Thought, emancipate their thinking, dedicate themselves to the study of new circumstances, things, and questions, and uphold the principle of seeking truth from facts, of proceeding from reality and of linking theory with practice can our party smoothly shift the focus of its work, correctly work out the proper path, policies, methods, and measures for carrying out the four modernizations and correctly transform those aspects of the relations of production and the superstructure that do not correspond with the swiftly developing productive forces." It can thus be said that without emancipation of the mind, there would be no reform and opening up and no correct party line pursued since the 3d Plenary Session of the 11th CPC Central Committee. However, with the passage of time, particularly at a time when we are carrying out the struggle to uphold the four cardinal principles and to oppose bourgeois liberalization, some comrades have begun to suspect the slogan "emancipate the mind" and have seldom touched on it. It appears that the slogan "emancipate the mind" is already out of date and there is even a suspicion of bourgeois liberalization about "emancipating the mind."

Is the slogan "emancipate the mind" actually out of date? If we have a relatively fair appraisal of the current situation, the answer is very evident. It allows no doubt that since the 3d Plenary Session of the 11th CPC Central Committee, we have put considerable conventions to the winds, upheld and developed Marxism both in theory and practice, and made great achievements in reform and opening up, and in particular, we have had a new understanding of socialism. All these are undoubtedly the result of emancipating the mind. However, on no account does this mean that we have thoroughly emancipated our minds and freed ourselves from the impediments of the old structure. The fact is that, as the reforms deepen, we are faced with many difficulties and problems, and both our thinking and our behavior are shackled by the force of habit and by ossified and obsolete concepts. "Leftist" thinking remains the main problem obstructing the development of reform. Both in theory and practice, there are still many problems awaiting a solution. Do not certain people say that joint stock system, leasing, and contracting constitute the private ownership system? Do not certain people suspect that reform, opening up, and invigoration mean pursuing capitalism? Reform, a brand-new creation, is bound to be shackled by all kinds of ossified and obsolete concepts and the force of habit and to encounter all kinds of difficulties and problems. How can these problems be resolved without further emancipation of the mind? Reform calls for emancipation of the mind. Without emancipating the mind, reform will be out of the question.

In that case, is there a suspicion of bourgeois liberalization about "emancipating the mind?" The central authorities explicitly pointed out some time ago that bourgeois liberalization has its own special meaning, which is mainly that of an erroneous ideological trend which ran rampant for a time in ideological and theoretical circles, of negating CPC leadership and advocating following the capitalist road. This erroneous ideological trend and advocacy of "emancipation of the mind" are two totally unrelated things. At the end of 1978, Comrade Deng Xiaoping clearly pointed out: "When it comes to emancipating our minds, seeking truth from facts, and uniting as one in looking to the future, the primary task is to emancipate our minds." Negating emancipation of the mind means, in essence, negating reform and opening up and the line adopted by the party since the 3d Plenary Session of its 11th Central Committee. Emancipation of the mind is by no means an expedient but a weapon for ensuring the success of our cause. [paragraph continues]

The emancipation of the mind that we advocate is certainly not a wild flight of fancy but a conclusion drawn under the premise of adhering to the four cardinal principles, without rigidly sticking to what our predecessors did or to a single pattern in theory and practice; it means bold exploration and pioneering and enriching and developing Marxism. The erroneous statements and actions propagating bourgeois liberalization are a hypothesis divorced from the realities in China and they have nothing to do with emancipation of the mind. Therefore, the majority of the Chinese people cannot agree to them. Only when we emancipate our minds can we smash "forbidden zones," make bold explorations, and win the final victory in building socialism with Chinese characteristics. "Seeking truth from facts and emancipating the mind" has been persistently advocated by our party since the 3d Plenary Session of the CPC Central Committee and also serves as the fundamental reason why initial achievements have been made in our reform cause and the socialist modernization has vigorously developed. This slogan will certainly not be changed on account of opposition to bourgeois liberalization, nor should it be changed.

Today we raise the slogan "emancipate the mind" once again and stress the importance and urgency of emancipating the mind with a view to helping people get rid of confused ideas and take actions and to encouraging them to be bold in breaking new ground and making explorations in the future reform practice so that they can make new contributions for the early realization of the four modernizations as the reforms deepen.

HONG KONG PAPER VIEWS MAIN THEMES IN CHINESE PRESS

HK150636 Hong Kong WEN WEI PO in Chinese 15 Jun 87 p 1

["Special Feature" by correspondent Kung Shuang-yin (7255 7175 0603) from Beijing on 14 Jun: "Oppose 'Leftism,' Oppose 'Ossification' -- Current Main Themes in the Chinese Press"]

[Text] Recently newspapers at the central level in Beijing have repeatedly issued editorials and commentator's articles to remind people not to forget to oppose liberalization, "leftism," and ossification while stressing upholding the four cardinal principles and adherence to reform, opening up, and invigoration.

The So-Called Removing "Restrictions" [subhead]

Shortly after the beginning of the struggle against bourgeois liberalization, the CPC Central Committee clearly defined in the No 4 document that the struggle should be strictly carried out within the party and mainly in the political and ideological field. This has especially solved the fundamental problem of the political orientation of the struggle, that is, the struggle should not be related to economic reform policies, rural policies, scientific and technological research, the exploration of the styles and techniques of literature and art, and people's daily life.

Despite the explicit regulations made by the central leadership, some people still held that "the deepest root of bourgeois liberalization lies in the economic field." They set economic reform measures against socialist principle, treated contracting for or leasing enterprise as "engaging in private ownership," treated the manager responsibility system as "abolishing the party's leadership," and treated the contracted responsibility system on the household basis as "undermining the foundation of the collective economy." They called for removing "restrictions" and wanted to expand the struggle against bourgeois liberalization to the economic field.

In view of this, Zhao Ziyang, acting general secretary of the CPC Central Committee held, on 13 May in Zhongnanhai, a meeting of cadres from propaganda, theoretical, and journalism fields and from party schools. He delivered a long speech at the meeting. The next day, the CPC Central Committee issued his speech to lower levels in the form of the No 16 Document. "RENMIN RIBAO" issued two editorials to publicize the content of the speech. Then, on 21 and 22 May, the Propaganda Department of the CPC Central Committee held a forum of some theoretical and journalistic workers to discuss how to propagate this speech. Wang Renzhi, director of the Propaganda Department of the CPC Central Committee, presided over the forum and called for integrating firmly and in an organic way the two basic points, namely, upholding the four cardinal principles, and reform and opening up, in propaganda and theoretical research work.

Main Obstacle Comes From "Leftism" [subhead]

After the forum, "RENMIN RIBAO," "JINGJI RIBAO," "CONGREN RIBAO," "ZHONGGUO QINGNIAN BAO," and other papers issued editorials and commentator's articles one after another to tell people that while the serious spreading of the ideas of bourgeois liberalization has been curbed, the struggle against bourgeois liberalization will go on for a long time, but we must mainly rely on positive education and reform. At present, as seen from the general course of building socialism with Chinese characteristics, the main obstacle comes from "leftism," and from force of habit and ossification in people's ideological understanding. On the problem of "leftism" and rightism, the stress should be laid on opposing "leftism." Problems of rightism should also be solved once they appear, but "leftism" is affecting us from time to time. It is wrong to think that the problem of "leftism," which should mainly be solved, has already been solved because of the spreading of the ideas of liberalization for a while.

Some articles pointed out that some people who have ossified ideas treat many measures that have been proved very helpful to the development of productive forces in the practice of economic structural reform since the 3d Plenary Session of the 11th CPC Central Committee as "bourgeois ones." They also made such charges as "there is only criticism of those who speak capitalism, but no criticism for those who practice capitalism." This idea is absolutely wrong. The articles quoted Deng Xiaoping's remarks: "The fundamental task in the socialist stage is developing productive forces," and "in carrying out socialism, we must develop productive forces," and "in carrying out socialism, we must develop productive forces," and "poverty is not socialism." The practice of reform over the past 8 years proves that these 8 years is the period in which China's economy developed most vigorously, the national strength increased most quickly, and the people gained the most benefits. Treating reform and opening up that is beneficial to the development of productive forces as "carrying out capitalism" is not a practical attitude, but a reflection of the ossified and dogmatist idea that socialist revolution means changing the relations of production.

The Achievements in Reform of the 8 Years [subhead]

In addition, "JINGJI RIBAO," under the title of "Reform, the Second Revolution," devoted two full pages to a comprehensive introduction of the achievements in reform over the past 8 years. From 12 June on, in the front page of the paper, an open debate will be conducted on whether leased enterprises are "socialist ones" or "capitalist ones," a topic raised by Guan Guangmei, a lessee who leased 8 shops in Benqi City.

"CONGREN RIBAO" has started a special column, "Questions and Answers About Matters in Reform," and asks people from the research institute of China's economic structural reform to answer questions raised by workers on reform. [paragraph continues]

The questions answered on 12 June included: Some people say the four cardinal principles is the headrope of a fishing net and reform and opening up are the meshes of the net, is it correct? How should we view the struggle against rightism and "leftism?" Which should we mainly oppose? We have brought in some capitalist things in reform over the past few years, is it bourgeois liberalization? Etc and etc.

In a commentator's article on 13 June, "RENMIN RIBAO" pointed out that as many new situations and new problems have not been studied and explained in a scientific, theoretical way, so theoretical workers must emancipate their minds, make bold explorations, deeply study new situations and problems that may be met with in building Chinese-style modernization, and give answers of important guiding significance.

HAO JIANXIU AT NIGHTINGALE AWARD CEREMONY

OW150349 Beijing XINHUA Domestic Service in Chinese 1215 GMT 12 Jun 87

[By reporter Zou Peiyan]

[Excerpt] Beijing, 12 Jun (XINHUA) -- Three Chinese nurses, Chen Lude, Shi Meili, and Zhang Yinqing were presented the 31st Nightingale Medals. Vice President of the PRC Ulanhu presented the medals to them at an award ceremony held at the Great Hall of the People today. Hao Jianxiu, Bainqen Erdini Qoigy Gyalncain, Kang Keqing, and Zhao Puchu attended the ceremony. [passage omitted]

CHEN MUHUA, RUI XINGWEN GREET TRAWLER CREW

OW150421 Shanghai City Service in Mandarin 1000 GMT 13 Jun 87

[Text] On 15 October 1986, the oceangoing trawler-processor "Pioneer" of the Shanghai Deep-Sea Fishing Company steamed to the Bering Sea off North America to operate in the fishing grounds there. After over 240 days' strenuous work by all its crew, the trawler earned \$41.4 million. It returned to Shanghai Harbor this morning. State Councillor Chen Muhua, secretary of the municipal party committee Rui Xingwe, and other leading comrades visited the crew of the trawler "Pioneer" in spite of rain in the afternoon. They asked crewmen about their work and living conditions. This time, the "Pioneer" has brought back for the people of Shanghai more than 900 tons of cod other fish, which will be marketed in Shanghai shortly.

LABOR CONTRACT SYSTEM GROWS; FEWER PERMANENT JOBS

OW151136 Beijing XINHUA in English 0942 GMT 15 Jun 87

[Text] Beijing, June 15 (XINHUA) -- China has employed 5.59 million workers under the labor contract system while the total number of permanent workers has continued to decline, the State Statistics Bureau has found.

By the end of last month, the total number of Chinese workers had dropped to 127.8 million, according to data released by the bureau.

Industry, agriculture, forestry, animal husbandry, fisheries, transportation, posts and telecommunications, real estate, public utilities, services, and the education and cultural sectors have reported less permanent jobs.

SHANDONG'S LIANG RECEIVES PRC ENVOYS 15 JUN

SK160528 Jinan Shandong Provincial Service in Mandarin 2200 GMT 15 Jun 87

[Text] Some provincial leading comrades, including Secretary of the Provincial CPC Committee Liang Buting, received a visiting group of Chinese diplomatic envoys at Jinan's Nanjiao Guesthouse on the morning of 15 June. Provincial leading comrades welcomed them to our province.

The 43-member visiting group is comprised of Chinese ambassadors and counsellors to 27 countries and regions of the 5 continents, and their wives. The visiting group arrived in our province on 9 June. The members of the group successively visited plants, the countryside, and economic and technological development zones in Qingdao, Yantai, and Zibo.

At the reception, provincial Vice Governor Ma Changgui gave the visiting group a detailed introduction of the province's political, economic, scientific, and cultural situation. Comrade Liang Buting asked all comrades of the visiting group to set forth precious suggestions on the province's work.

(Cai Fengbai), Chinese ambassador to Switzerland; (Ji Caozhu), Chinese ambassador to the United Kingdom; and (Bao Daozhou), deputy consul general of the Chinese Consulate in San Francisco; respectively gave opinions and suggestions on the issues concerning opening the province to the outside world, development of foreign export trade, the construction of development zones, the training of specialists and technicians, and the improvement of the quality of products made by town and township enterprises.

On the evening of 15 June, the visiting group left Jinan for Qufu and Taian for further visits.

SHANDONG LEADER ON PLANNING OF SOCIAL SCIENCES

SK160400 Jinan Shandong Provincial Service in Mandarin 2200 GMT 15 Jun 87

[Text] The meeting on the Seventh 5-Year Plan of the provincial Societies of Philosophy and Social Sciences concluded in Jinan on the afternoon of 15 June.

Liang Buting, secretary of the provincial party committee; Lu Maozeng and Jiang Chunyun, deputy secretaries of the provincial party committee; and Miao Fenglin, Standing Committee member of the provincial party committee, called on the participants at the meeting. Comrade Liang Buting made a speech at the meeting.

He said that since the 3d Plenary Session of the 11th Party Central Committee, theoretical workers throughout the province have set forth many new valuable standpoints and have made many new achievements through deeply conducting investigations and study of the new situation of reform, opening up, and economic invigoration.

He stressed: In conducting academic discussions, we should encourage theoretical workers to bravely make explorations, do pioneering work, and blaze new trails. We rely primarily on two principles to conduct theoretical work. Workers in both social scientific and natural scientific fields should rely on two principles in order to make findings.

One is to rely on correct ideological line by seeking the truth from facts and proceeding from reality. The other is to rely on a normal environment to conduct political activities. You, comrades, should believe that the party Central Committee and the provincial party committee will support your brave explorations.

Comrade Liang Buting pointed out: The party Central Committee will never change its policy of reform and opening up. The purpose of reform is to develop productive forces under the leadership of the party and under the guidance of the socialist system. Thus, theoretical workers should consciously stand in the forefront of the work of supporting the line, principles, and policies adopted since the 3d Plenary Session of the 11th Party Central Committee; should grasp the Marxist stand, viewpoint, and method; should study and explain the new situation and problems of our country; should carefully study ways for developing modernization; should serve the building of socialism with Chinese characteristics; and should strive to make Marxist theory flourish in China and make Shandong's theoretical work not lag behind the provinces, municipalities, and autonomous regions throughout the nation.

Miao Fenglin, member of the Standing Committee of the provincial party committee, director of the Propaganda Department of the provincial party committee, and head of the provincial leading group for the planning of philosophy and social sciences, made a speech at the meeting.

The meeting examined and discussed the major study subjects of philosophy and social science during the Seventh 5-Year Plan period. Through specialists' appraisals and discussions, the meeting adopted 91 study subjects.

SHANGHAI'S RUI ATTENDS SINO-U.S. BALLET

OW150410 Shanghai City Service in Mandarin 2200 GMT 12 Jun 87

[Excerpts] Chinese and American ballet dancers jointly staged a performance entitled "Revolving Universe in Length and Breadth," the first modern ballet created by Chinese artists, in collaboration with their American counterparts, in the Hall of the Municipal Government building on the evening of 12 June. [passage omitted]

Rui Xingwen, Huang Ju, Zeng Qinghong, Liu Zhenyuan and others watched last night's performance.

During the intermission, Comrade Rui Xingwen said he was very glad to learn that a total of 25 programs had been staged by more than 600 foreign, Hong Kong, and Macao artists, together with over 1,000 Shanghai artists during the International Arts Festival held in Shanghai. He said: It is a pleasure, as well as delightful artistic enjoyment, for a Shanghai citizen to have the opportunity to watch so many good shows and programs. The International Arts Festival not only strengthens our friendship with the peoples of other countries but also promotes cultural and artistic exchanges between China and foreign countries; it will be helpful in China's national culture and art development.

Comrade Rui Xingwen offered his congratulations on the success achieved by Chinese and American artists in their first joint performance.

GUIZHOU: LEARNING FROM DAXINGANLING STRESSED

HK130225 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 12 Jun 87

[Excerpts] The provincial government convened a plenary meeting on 12 June which demanded serious implementation of the State Council decision on handling the great accident of the Daxinganling forest fire. The province should check on departmental work in light of the decision, wage a resolute struggle against bureaucratism, strive to improve work style, and do a good job in production safety. [passage omitted]

Zhang Shukui, member of the Standing Committee of the provincial party committee and vice governor, made a speech. He cited a number of harmful things resulting from bureaucratism in light of the State Council decision and the actual situation in the province. For instance, there are many accidents, there is a serious degree of indiscriminate tree-felling, there are cases of theft and sabotage of water conservancy and electric power facilities, and serious accidents have also occurred in food hygiene. These things have caused great losses to people's lives, property and economic construction.

Zhang Shukui pointed out that these problems are mainly the result of chaotic management, lax discipline, lack of sound rules and regulations, and serious bureaucratism on the part of the departments and responsible persons concerned. This bureaucratic work style not only corrodes our cadre force but also damages the party's influence among the masses. It is incompatible with the party program and the people's and government's duties. We must learn the lesson of the great accident of the Daxinganling forest fire and also seriously deal with the problems in our work. [passage omitted]

The provincial government departments must check on the losses caused by bureaucratism. The problems discovered must be handled properly, and those responsible must be held accountable. [passage omitted]

Provincial CPC Committee Secretary Hu Jintao and provincial People's Congress Standing Committee chairman Zhang Yuhuan spoke at the meeting. Vice governors Liu Yulin, Xu Caidong, and Luo Shangcai were present.

XIZANG PROVINCE HOSTS PEOPLE'S CONGRESS IN LHASA

HK140255 Lhasa Zizang Regional Service in Mandarin 1030 GMT 13 Jun 87

[Excerpt] Ngapoi Ngawang Jigme, vice chairman of the NPC Standing Committee and chairman of the regional People's Congress Standing Committee, arrived in Lhasa in 13 June to preside over the fifth session of the fourth regional People's Congress and to inspect work in the region. He was met at the airport by responsible comrades of the party, government, and Army in the region, including Wu Jinghua, Pagbalha Geleg Namgya, Doje Cering, Zhang Xiangmin, and Lang Jie. [passage omitted]

LIAISON CADRE SYSTEM ESTABLISHED IN BEIJING

SK120824 Beijing BEIJING RIBAO in Chinese 6 Jun 87 p 1

[Text] Many units throughout the municipality have established a liaison system between their leading cadres and retired veteran cadres. According to statistics, a liaison relationship between more than 4,000 on-the-job leading cadres and more than 8,600 retired cadres has been established. This figure was revealed at the forum of retired cadres, which concluded on 5 June. At the forum, Li Ximing, secretary of the municipal party committee, delivered a speech in which he urged on-the-job leading cadres to regularly make contact with retired cadres in order to link up their opinions and to further do a good job in conducting affairs concerning veteran cadres in a down-to-earth manner.

There are 44,305 veteran cadres throughout the municipality who are eligible for retirement. By the end of 1986, 25,594 cadres retired from their posts. It is estimated that these retiring veteran cadres will basically retire from their forefront posts by 1990. Since their retirement, the retired cadres have shown great concern for construction on various fronts throughout the municipality, and many of them have continuously engaged in public welfare activities by making all-out efforts in their remaining years through various means. Some have written books, the local revolutionary history, the national history, and the history of schools. Some have taken up the cadre post of neighborhood and resident committees. To bring the role of retired veteran cadres into full play, a large number of units throughout the municipality have established a regular liaison system between on-the-job leading cadres and retired veteran cadres, and most of them have said each leading cadre should keep contact with one or two retired cadres. Some have also decided to hold regular or irregular forums and brief meetings with the participation of on-the-job leading cadres and retired veteran cadres. At the forum concluded on 5 June, more than 100 retired veteran cadres held a cordial talk with responsible persons of departments, commissions, and offices under the municipal party committee, in which many favorable opinions and suggestions concerning the municipal drive to conduct reforms and the work in various fields were raised.

At the forum, Li Ximing and Chen Xitong delivered speeches in which they respectively introduced the municipal political and economic situations and urged veteran comrades to make more trips for observations, to join in social work as much as possible, and to show more concern for the party's development and the ideological education of juveniles. After hearing the opinions given at the forum by the retired veteran cadres, Jin Jian, deputy secretary of the municipal party committee, also delivered a speech in which he stated: It is very important for on-the-job leading cadres to enhance their contact with retired veteran cadres. Henceforth, we should pay short, courteous calls to the retired cadres and hold more confidential talks with them. Various departments under the municipal party committee, districts, counties, and bureaus also may convene such a forum to enable veteran comrades to offer their good opinions and suggestions as soon as possible.

PERSONNEL APPOINTMENTS, REMOVALS ADOPTED IN HEBEI

SK120916 Shijiazhuang HEBEI RIBAO in Chinese 1 Jun 87 p 3

[Text] On 18 May 1987 the Hebei Provincial People's Government adopted the following decisions on personnel appointments and removals.

Li Guangshun [2621 0342 7311] was appointed deputy secretary general of the provincial People's Government, and removed from his post as vice chairman of the provincial Educational Commission.

Shi Zhensheng [0670 2182 5116] was appointed deputy director of the provincial Public Security Department.

Li Ming [2621 2494] was appointed deputy director of the provincial Agricultural Department.

Wei Ye [7279 6851] was appointed deputy director of the provincial Cultural Department.

Wang Shixian [3769 0013 6343] was appointed deputy director of the provincial office for economic structural reform.

Li Debao [2621 1795 0202] was appointed deputy chief of the provincial Rural Development Research Center.

Xia Meicheng [1115 4168 0015] was appointed chief engineer of the nonferrous metal sector of the provincial Metallurgical Industrial Department.

Zhang Houji [4545 0624 1015] was appointed chief of the Shijiazhuang Enterprise Management Training Center.

Sui Fatai [7151 3127 3141] was appointed deputy commissioner of the Zhangjiakou Prefectural Administrative Office; and Geng Shangzeng [5105 1424 1073] was removed from his post as deputy commissioner of the Zhangjiakou Prefectural Administrative Office.

Gong Bangdou [7895 6721 6995] was removed from his post as director of the provincial Agricultural Department.

Lian Heng [6647 5899] was removed from his post as adviser of the provincial Cultural Department.

The resignation of Zhang Gang [1728 1511] from his post as deputy president of the provincial Social Science Academy was accepted.

The resignation of Tang Jifu [3282 0679 1133] from his post as president of the Langfang Teacher Training College was accepted.

HEILONGJIANG CITY TO OPEN BORDER TRADE WITH USSR

SK160334 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 15 Jun 87

[Text] The material trade center of Suifenhe City, a foreign trade outlet, and the city's first material trade fair opened today. Suifenhe is an inland foreign trade outlet of our province, which shoulders an important task for trade with the Soviet Union. In 1986, 1.12 million tons of goods were imported and exported through Suifenhe City, a 21-fold increase over 1976. A present, the city has undertaken the transport of goods exported or imported through trade between countries or provinces and through border trade. Border trade between Suifenhe City and Geloyekovo City of the Soviet Union will soon open.

To develop a foreign trade outlet and prepare for the trade between the border cities, the provincial machinery equipment company and the Suifenhe City Government invested 2.4 million yuan to build the material trade center, which is an enterprise owned by the whole people and managed by both the company and the city. It will play a positive role in exporting domestic equipment, technology, and materials to the Soviet Union and Eastern European countries and importing the equipment, technology, and materials needed by our country.

At the trade fair opening today, more than 4,000 kinds of commodities of 6 categories, including metals, machinery and electric equipment, chemicals, building materials, native and special products, and articles of daily use, as well as timber, cement, and refrigerators imported from the Soviet Union, were on display. Sixty percent of the commodities were products of our province.

JILIN'S GAO DI ATTENDS FORUM ON GRAIN ECONOMY

SK140258 Changchun Jilin Provincial Service in Mandarin 2100 GMT 13 Jun 87

[Excerpt] The provincial forum on comprehensively developing the commodity economy in the eastern grain-producing areas ended on the afternoon of 13 June. The forum put forward that in the future, all grain-producing counties should develop the commodity economy, strive to increase grain output, invigorate animal husbandry, actively run industry and commerce, carry out comprehensive operations, make the people prosperous, and strive to turn all counties in the rural areas into large agricultural counties with a strong industrial and financial foundation within a short period of time. The forum was cosponsored by the provincial party committee and the government.

Comrades Gao Di, Wang Zhongyu, Wang Jinshan, and Hui Liangyu gave important speeches respectively at the forum.

While fully summing up and affirming the important contributions of the eastern grain-producing areas in developing the province's grain production and enabling peasants to become prosperous, the forum also investigated and discovered some problems which must be solved immediately. These problems are solely manifested in three respects. First, judging from the production set-up, the single-product economic pattern has yet been fundamentally changed; second, judging from the economic growth rate, the economic targets of some counties and cities have fallen behind the provincial average; and third, judging from the standard of prosperity, the financial revenues of these grain-producing counties and cities are low and most of them have to receive state subsidies, while the incomes of peasants are in a fluctuating state.

The forum maintained that the main problems in the economic development of the eastern grain-producing counties and cities are directly caused by the single-product farming pattern. The fundamental way for changing this traditional economic pattern is to comprehensively develop the commodity economy. This is a historical task as well as the best strategic policy decision of the leading departments at all levels under the new situation. [passage omitted]

JILIN LEADERS PARTICIPATE IN HARNESSING WORK

SK130354 Changchun Jilin Provincial Service in Mandarin 0930 GMT 12 Jun 87

[Excerpts] Today, the mighty Yitong He harnessing army was reinforced by a new labor contingent which was composed of persons well-known to all. They were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, and the provincial CPPCC Committee, including Gao Di, Wang Daren, Zhao Xiu, Zhang Shiyong, Huo Mingguang, Wang Jiping, Li Shuren, Chen Hong, Liu Shulin, Zhang Fenggi, Luo Yuejia, Xin Cheng, and Liu Xilin, as well as Wu Yixia, secretary of the Changchun City party committee, and Wang Jiatong, major of Changchun City.

Around 0800, Gao Di and other comrades arrived at the Yueliangdao work site of Changchun Bridge on the upper reaches of the Yitong He. They picked up shovels and baskets and participated in labor along with the masses. [passage omitted] During a break, Gao Di and other comrades inspected the progress of projects on the Chengqu section of the Yitong He. Responsible persons of the work site gave briefings to leaders. [passage omitted]

After hearing briefings, Comrade Gao Di stressed: At present, a campaign of increasing production, practicing economy, increasing revenues and reducing expenditures is being conducted. It is necessary to encourage more people to participate in voluntary labor while carrying out the river harnessing projects. The people's city should be built by the people. All people in Changchun City should actively broaden their communist [words indistinct] and make more contributions to bringing benefit to the people.

JILIN CEREMONY WELCOMES RETURNED FIRE FIGHTERS

SK140714 Changchun Jilin Provincial Service in Mandarin 2100 GMT 13 Jun 87

[Excerpts] On the morning of 13 June, the Jilin Provincial CPC Committee and the provincial people's government, and the Changchun City party committee and the city people's government cosponsored a ceremony at the assembly hall of the provincial guesthouse to welcome the successful return of fire fighters from Daxinganling. [passage omitted]

Leading comrades of the province and Changchun City, including Gao Di, Wang Daren, Zhao Xiu, Liu Jingzhi, Wang Zhongyu, Zhang Shiyong, Huo Mingguang, Gao Wen, Zhang Fenggi, Li Deming, Liu Shulin, Wu Yixia, and Wang Jiatong, as well as leading comrades of the provincial military district, and the PLA units stationed in Changchun, including Ma Fengtong, Bai Wengzhong, Xie Decai, Zhang Baohua, Liu Chuan, Li Chuanghai, Qian Bo, Zhang Fuyuan and Jing Zhenting attended the welcoming meeting and were seated on the rostrum.

The meeting was presided over by Major Wang Jiatong, deputy secretary of the Changchun City party committee. Wang Zhongyu, deputy secretary of the provincial party committee, addressed the meeting. [passage omitted]

The provincial party committee and the provincial government called on all Communist Party members and CYL members, and the people to further conduct activities to learn from the PLA, to draw a lesson from the Daxinganling forest fires, to enhance their sense of responsibility to the state and the people's cause, to actively oppose and overcome bureaucracy, to keep firmly in mind the party's purpose of wholeheartedly serving the people, and to win a new victory in building the province's two civilizations. [passage omitted]

Leading comrades of the relevant provincial and Changchun City departments attended the welcoming meeting along with some 1,500 representatives of soldiers who had participated in fire extinguishing and relief work.

CASES UNDERMINING REFORM INVESTIGATED IN LIAONING

SK121307 Shenyang LIAONING RIBAO in Chinese 2 Jun 87 p 1

[Text] Discipline inspection commissions at all levels throughout the province have continuously enhanced their sense of reform; have actively supported, protected, and facilitated reform while correcting unhealthy trends; and have made contributions to economic development.

Over the past few years, the discipline inspection commissions have resolutely investigated and dealt with the people and acts that undermined reform while practicing reform themselves. They have always regarded the investigation and handling of the persons and acts that undermined reform as a major part of their endeavor to support and guarantee reform. Over the past 3 years or so, they have investigated and handled more than 30,000 cases, of which 80 percent undermined reform and economic construction. Through the investigation and handling of these cases, they have conducted an education in party spirit and the importance of abiding by law and discipline; have recovered several hundred million yuan of economic losses for the state; and have promoted a turn for the better in party style and social conduct. While supporting reform, the discipline inspection commissions also formulated and clarified the bounds of the policies on reform. The masses of discipline inspection cadres have plunged into the reform on their own accord, gone deep into the realities of life, intensified investigations and study, and often held talks with the comrades in charge of economic work to get familiarized with the situations as well as study the problems through measures by holding forums and setting up consulting service or liaison stations. They have also assisted party committees and relevant departments in mastering the specific policy bounds and supported the reform through policies.

The discipline inspection departments of various cities, counties, and some enterprises have actively helped party committees in discovering, cultivating, and commending a large number of persons and units advanced in reform, and inspired the initiative and creative spirit of reformers with experiences of good examples.

At the same time, the discipline inspection departments at all levels have also paid attention to orienting their work to the needs of reform and economic construction, thinking about what reformers were thinking, and eagerly trying all possible means to help them solve the problems that needed urgent solutions.

The discipline inspection departments of many units have also actively eliminated the unfair reproach on reformers. When some comrades were unfairly reproached for their brave reform, the discipline inspection commissions stepped forward to speak for them impartially, explained the truth, and clarified right and wrong. In this way, they have helped many reformers extricate themselves from their predicament and enhance their confidence and courage, and have eliminated slander against reformers by supporting them.

LIAONING'S QUAN ADDRESSES THEORETICAL WORK FORUM

SK160314 Shenyang Liaoning Provincial Service in Mandarin 2100 GMT 15 Jun 87

[Text] In his speech at the theoretical work forum sponsored by the provincial party committee on 15 June, Quan Shuren, secretary of the provincial party committee, called on the vast number of theoretical workers throughout the province to take part in reform, to give new theoretical explanations of the new questions cropping up in the course of reform, to seek unity of thinking, and to play an exemplary role in reform.

Quan Shuren said: After discussing the issue concerning the operation of commercial enterprises on a leasing basis set forth by Sun Guangfu, manager of Benxi City (Dongling) commercial association, we were deeply inspired by the ceaseless deepening of reform. It is a kind of progress that the forms of reform become varied along with the deep development of reform. It is a good phenomenon that various standpoints and understanding of the quality of reform have essentially emerged along with the deep development of reform.

He urged: We should further seek unity of thinking. It is difficult to deepen reform if we do not act in accordance with the thinking of the people.

Quan Shuren further pointed out: It is impossible to unite the thinking of the people only by making general theoretical explorations. Thus, the vast number of theoretical workers throughout the province should take part in reform and study new theoretical questions. It is impossible for us to understand the questions concerning reform if we do not give new theoretical explanations of the new questions cropping up in the course of reform. This has been placed on our work agenda. No theoretical guidance necessarily leads to blind behavior. This is a truth. [passage indistinct]

QUAN GIVES INSTRUCTION ON LIAONING DEVELOPMENT

SK150656 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 14 Jun 87

[Text] Some time ago, Quan Shuren, secretary of the provincial party committee, and Sun Qi, deputy secretary of the provincial party committee, heard a special report given by the provincial Agricultural Commission on the work situation in developing the areas of western, northern, and eastern Liaoning and gave important opinions on the next stage of work.

After hearing the report on the work done in the first stage, the two leading comrades stated: The work teams in charge of helping the "three Liao" areas achieve development have done a great deal of work over the past 7 months since they have gone to the grass-roots level units in these areas, and have accomplished marked achievements in their work.

To further do a good job in carrying out economic development in these areas, the provincial party committee with the assistance of the departments concerned will carry out investigations on implementing various policies in developing these areas, on the new situation and problems emerging in the drive to deeply conduct reforms in rural areas, on building party organizations in rural areas, and on issues concerning party style and the ideology and work style of leading bodies. Efforts should be made to sum up the successful experience gained in the work and to find out existing problems through investigations to promote the next stage of work.

On the issue of further enhancing the building of work teams in charge of helping the "three Liao" areas achieve development, the leading comrades of the provincial party committee stressed: Efforts should be made to continuously uphold the necessary measure of dispatching work teams to help the grass-roots level units conduct work and integrate the task of dispatching work teams to the grass-roots level units with the work of conducting reforms in the organs and improving work style. Cadres who have gone to the grass-roots level units should not only serve the units, but should also temper themselves in the rural areas. It is imperative to uphold the measure because it is a good concern. We should also establish a system of having the departments, commissions, offices, and bureaus sign contracts on helping the poor townships increase their standard of living. During the September-October period of this year, we should clearly assign departments to be responsible for helping poor townships become better-off when relieving a shift of work teams. Meanwhile, efforts should be made to enforce the responsibility system designed for specific problems in this regard and to work out both general goals and concrete targets for the work. Cities and counties should also define their responsibility system in this regard to help the poor become wealthy by a given date.

QINGHAI LEADERS INSPECT WORK IN HAIBEI PREFECTURE

HK130243 Xining Qinghai Provincial Service in Mandarin 0430 GMT 12 Jun 87

[Excerpts] Provincial CPC Committee Secretary Yin Kesheng and Deputy Secretary Lu Shengdao led responsible comrades of provincial departments concerned to inspect work in Haibei Autonomous Prefecture from 2 to 6 June. They listened to reports given by the party committees of the prefecture and of Menyuan and Qilian Counties and discussed relevant problems in current work with the local cadres. [passage omitted]

At a report meeting held by the prefecture and the counties, Comrade Yin Kesheng endorsed the achievements in the prefecture's work and focused on the following issues:

1. Do a good job in studying the two books and carry out this task in still greater depth by integrating it with the reality of reform, opening up, and invigoration with the realism of the cadres' own thinking and work.
2. Still greater development should take place in animal husbandry. We must follow the path of scientific livestock-raising, to develop commodity animal husbandry and improve its all-round economic results.
3. Speed up the pace of development, based on local resources. It is essential to carry out investigation and study and aim at the markets.
4. Work must be sound and management must keep abreast with needs. We should talk less and do more, and do our work in a practical and strict way. Management must be meticulous. We must continue to display the spirit of struggling hard amid difficulty.
5. We must pay great attention to strengthening unity. Leading cadres should set an example. Cadres should consult each other more in their work and air their views to each other more. Through criticism and self-criticism, unity on the basis of the party principles should be strengthened.

Lu Shengdao gave views on further improving future work.

PRESS AGENCY COMMENTS ON KMT SINGAPORE VISIT

HK140132 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1311 GMT 11 Jun 87

[Article by Kai Wen (0418 2429): "Commenting on Yu Kuo-hua's Singapore Visit"]

[Text] Hong Kong 11 Jun (ZHONGGUO TONGXUN SHE) -- Taiwan's Executive Yuan President Yu Kuo-hua headed a senior delegation to Singapore for a 5-day visit beginning 8 June. This is the first overseas visit of Yu Kuo-hua since he assumed office as the "Executive Yuan" president 3 years ago. He is also the highest-ranking official Taiwan has sent overseas in the ever-shrinking field of its diplomatic activities in recent years; therefore, this has been a most eye-catching event.

We can see from the recent comments of the Taiwan media that Yu Kuo-hua's current visit to Singapore serves two purposes: First, Taiwan is to continue to develop its economic cooperation with Singapore on the existing basis; and second, it attempts to restore Taiwan's position, namely, the so-called Taiwan "coming back to the world" first in Southeast Asia, then on a worldwide scale through strengthening its political and economic ties with Singapore.

An editorial of the Taiwan "LIEN HO PAO" has put it clearly. It pointed out, promoting the friendship between Taiwan and Singapore has at least three major effects: First, by linking the effects of the current visit with the effects of former Executive Yuan President Sun Yun-hsuan's visit to Indonesia 6 years ago, substantive relations between Taiwan and Southeast Asia will to some degree play the part of an axis, while highlighting the peculiar significance of the nonrecognition policy of Singapore and Indonesia regarding the PRC; second, through Taiwan's relations with Singapore, the conduit for cooperation between Taiwan and the ASEAN will become wider; and third, strengthening bilateral cooperation will help in unfolding economic aid to other developing nations, thus further strengthening Taiwan's position in the world.

Although this has reflected certain intentions of the Taiwan authorities, most analysts hold the view that Taiwan's estimation seems to be too optimistic. In the entire Southeast Asian region, Taiwan cannot hold a candle to Beijing in its impact, whether in the political and economic spheres or with regard to the safety and security of the region. Despite the fact that Singapore has still not established diplomatic relations with Beijing, the PRC and Singapore maintain uniquely good relations. The two countries have each set up representative organs in the capital of the other party, and the leading members frequently visit each other. As to the relations between Beijing and Indonesia, many signs have demonstrated that the two countries are developing along the direction of reconciliation and cooperation. Many Indonesian delegations have visited Beijing, and Beijing will send a huge delegation to attend the fair held in Jakarta in July this year.

This is the general trend in the international development at present. We believe, no force whatever can reverse or change it. As to Taiwan's hope to intensify its economic role and effects in the region, this may perhaps be regarded as the only feasible way at present. But many people hold the view that such a method rarely has successful precedents in past experiences of international ties. Even the economic aid policy which Taiwan has pursued in a big way may not be able to change the difficult situation of Taiwan's diplomatic activities. When the Panama National Assembly Delegation visited Beijing in February this year, Diaz, chairman of the Panama National Assembly declared that the normalization of diplomatic relations between Panama and the PRC would not be too far off. Anyway, Yu Kuo-hua's current visit to Singapore will serve to stimulate the confidence of the "masses" on the island, and to strengthen the party in office in contending with the opposition on the island.

TAIWAN TO BUY U.S. JETS TO BALANCE TRADE

OW151009 Taipei CNA in English 0923 GMT 15 Jun 87

[Text] Taipei, June 15 (CNA) -- Premier Yu Kuo-hua announced Monday morning that the Republic of China [ROC] will purchase 10 U.S.-made long-distance jetliners worth \$1.7 billion in an effort to balance trade between the two countries and to strengthen their substantive ties.

The premier made the announcement while receiving Vincent C. Siew, director general of the Board of Foreign Trade, King Mou-hui, chairman of the China Steel Corp., who is heading an investment delegation formed by state enterprises that it to visit the United States soon, and other members of the delegation.

Yu said that the purpose of the delegation is to find ways to increase the country's investments overseas so as to make effective use of the country's foreign exchange reserves.

Yu asked the delegation to evaluate opportunities in the United States for investment in high-technology production.

Yu said that the ROC, which is the world's 15th largest trading country, has the obligation to promote fair trade in the world and especially to increase its imports.

An agreement is expected to be signed during the delegation's visit in the U.S. to purchase 10 U.S.-made jetliners, including six Boeing aircraft and another four yet to be decided.

PREMIER RETURNS FROM SINGAPORE, COMMENTS ON TALKS

OW141409 Taipei CNA in English 1543 GMT 12 Jun 87

[Text] Taipei, June 12 (CNA) -- Premier Yu Kuo-hua said Friday that expanding trade and economic cooperation between the Republic of China and Singapore will help enhance peace and prosperity in Asia.

Yu made the remarks at a press conference at Chiang Kai-shek International Airport in northern Taiwan upon his return from a five-day goodwill visit to Singapore. Officials who accompanied the premier on the trip included Economics Minister Li Ta-hai, chairman Chen Li-an of the National Science Council, Director-General Shaw Yu-ming of the Government Information Office, and Director-General Vincent C. Siew of the Board of Foreign Trade.

In his statement, Yu said he and other members of his mission were very grateful to Singapore President Wee Kim Wee, Prime Minister Lee Kuan Yew, and other government leaders and the people of Singapore for their warm reception and hospitality during their stay in Singapore.

In addition to conveying President Chiang Ching-kuo's best regards to the Singapore president and prime minister, Yu also exchanged views with Wee, Lee and other ranking officials on ways to further strengthen traditional friendship and economic cooperation between the two countries.

Yu said the frequent exchange of visits by officials of the two countries will not only strengthen relations between the two nations but also enhance the peace and prosperity of Asia.

Referring to his impressions of Singapore, Yu said the people of Singapore, under the brilliant leadership of Prime Minister Lee, have successfully built a sound economic system and a prosperous and harmonious society that emphasizes the rule of law and makes Singapore a model for the developing nations of the world.

The ROC [Republic of China] has much to learn from Singapore's developmental experience, so it will send more officials to visit Singapore to gather information for reference in planning and implementing its own development projects, Yu said.

ROC citizens living in Singapore are working very hard and have made many outstanding achievements. Their status will advance further with the continued improvement of relations between the two nations and the ROC Government's determination to promote economic liberalization and internationalization.

Appearing in high spirits despite the long flight, Yu and his wife were greeted at the airport by Vice Premier Lien Chan and many other ranking officials.

Further Reportage

For reporting on Prime Minister Yu Kuo-hua's visit to Singapore 7-12 June, see the Brunei, Malaysia & Singapore section of the 15 June East Asia DAILY REPORT and subsequent issues.

LI HUAN TO BECOME KMT SECRETARY GENERAL

HK160904 Hong Kong AFP in English 0851 GMT 16 Jun 87

[Text] Taipei, June 16 (AFP) -- Taiwan Education Minister Li Huan is to be named to the powerful post of secretary general of the ruling Kuomintang (KMT), the independent EVENING POST reported Tuesday.

The current KMT secretary general, Ma Shu-li, has resigned because of his advanced age, the Chinese daily said. Mr Ma is 78.

Mr Li, 60, had been president to National Sun Yat-sen University before being appointed education minister in 1984.

He had previously served as director of the KMT department of Organization Affairs and head of the China Youth Corps which offers training and recreation to students.

The newspaper said Mr Li's appointment is expected to be approved soon by the KMT Central Standing Committee, of which he is also a member.

The report could not be immediately confirmed by KMT authorities.

LEGISLATIVE YUAN COMMITTEES APPROVE SECURITY BILL

OW160405 Taipei CNA in English 0232 GMT 16 Jun 87

[Text] Taipei, June 16 (CNA) -- After 15 sessions of heated debate during the past three months, the Legislative Yuan's committees on interior, national defense and judiciary affairs Monday approved the draft national security bill, thus clearing a major hurdle in the way of lifting the nation's emergency decree.

The draft bill will soon be sent to the floor of the Yuan for final screening and approval. The emergency decree is expected to be lifted immediately after the enactment of the law.

Major points of the bill's ten articles are:

-- Article One: the law is enacted in order to maintain national security and social order during the period of communist rebellion;

-- Article Two: people's assemblies and associations should not violate the constitution, advocate communism or the division of national territory;

-- Article Three: people should apply to the entry and exit bureau of the national police administration under the Interior Ministry for entry or exit permits; no one will be allowed to enter or leave ROC [Republic of China] territory without the appropriate permit;

The entry and exit bureau can refuse to issue an exit or entry permit to those who (A) have been convicted of crime and have not served their jail terms or who are wanted or prohibited from leaving the country by law enforcement units; (B) are suspected, from sufficient evidence, for disturbing national security or social stability, (C) are restricted from entering or leaving the country in accordance with the nation's laws;

-- Article Four: police authorities, if necessary, should conduct security checks of inbound or outbound tourists, vessels, airplanes, and other transportation vehicles and cargos;

-- Article Five: in order to ensure the security of the coasts, of mountainous areas, and of military installations, the Ministry of National Defense, in coordination with the Interior Ministry, shall designate and identify some coastal, mountainous and military areas as restricted areas; restrictions should be made for civilians entering, leaving or undertaking construction projects in such areas;

-- Article Six: those who enter or leave the ROC territory in violation of Article Three of the law will be sentenced to no more than three years in prison, detention, and/or a maximum fine of NT dlr [new Taiwan dollars] 90,000, and those who refuse or evade police security checks without justifiable reasons will be sentenced to no more than six months in prison, detention, and/or a fine of less than NT dlr 15,000;

-- Article Seven: those who violate Article Five of the bill by entering, leaving, undertaking construction projects in restricted areas will be sentenced to imprisonment for up to six months, detention, and/or a maximum fine of NT dlr 15,000;

-- Article Eight: civilians will not be subject to court martial and only military personnel who violate the criminal law or the special laws of the Armed Forces while the emergency decree was in effect, may be tried retroactively by military tribunals;

-- Article Nine: after the lifting of the emergency decree, (A) trials of civilians by military tribunals when the emergency decree was in effect will be turned over to civilian courts; (B) those who have already been convicted by military tribunals may not appeal to civilian courts without justifiable reasons; and (C) military convicts who have not yet served or who are serving their sentences will continue to serve their sentences under the jurisdiction of civilian prosecutors; and

-- Article Ten: details and the date for implementing the National Security Law should be decided by the Executive Yuan.

HONG KONGBASIC LAW COMMITTEE DECIDES TO RETAIN HK DOLLAR

HK140254 Hong Kong HONGKONG SUNDAY STANDARD in English 14 Jun 87 p 1

[By Yau Shing-mu in Guangzhou]

[Text] Hong Kong will remain a free port and the freely convertible Hong Kong dollar will continue to be the legal tender after 1997, it was confirmed yesterday.

These provisions were among 15 articles passed by a group of Basic Law drafters who are currently in session in Guangzhou shaping principal economic and financial policy for the Special Administrative Region [SAR].

"Though the Sino-British Joint Declaration has such provision we're going to enshrine them in a form of declaration in the Basic Law," said a coconvener of the group, Mr Yong Longgui.

He said the constitution would not designate any particular bank or banks to be not-issuing banks. Neither did they mention anyone during discussion because "this is a very sensitive issue and had stirred up ripples".

Nevertheless, nine drafters agreed that the authority to issue Hong Kong dollars would rest with the SAR and that issuing has to be backed up by "adequate reserves".

Also, as provided in the joint accord, the SAR government may authorise designated banks to issue or continue to issue Hong Kong dollars under statutory authority, after satisfying itself that any issue of currency will be soundly based and that the arrangements for such issue are consistent with the object of maintaining the stability of the currency.

And, the Exchange Fund is to be managed and controlled by the SAR government, primarily for regulating the exchange value of the Hong Kong dollar, which will continue to circulate and remain freely convertible the drafters agreed.

To supplement a provision in the joint accord, the drafters agreed to allow the SAR government to take "adequate measures to maintain Hong Kong as an international financial centre".

Mr Yong explained that it was take heed of advice given by British financial experts last year. "It's not to allow the government to interfere. Instead, it's to protect the free operation of the financial market," said Yong.

They agreed that the Basic Law would not allow exchange control policy to be applied to the SAR and safeguard free flow of capital within, into and out of the SAR.

Markets for foreign exchange, foreign currencies, gold, securities and futures will continue.

Concerning Hongkong's foreign trade policy, the drafters agreed that there will also be no levying of import taxes, save those specified by law.

The spirit of these provisions is to continue Hongkong's free trade policy and safeguard its free port status.

Other provisions include:

- The SAR government will protect free trade, including the free movement of goods (including invisible goods, such as software, copyrights and patents) and capital.
- The SAR government will decide its foreign trade policies on its own, and maintain and develop its own economic and trade relations with all states and regions.
- The SAR will be a separate customs territory.
- The SAR may participate in relevant international organisations and international trade in textiles.
- The SAR will continue exclusively to enjoy export quotas, tariff preferences and other similar arrangements obtained by the SAR in accordance with international agreements.
- The SAR will have the authority to issue its own certificates of origin for products manufactured locally, in accordance with prevailing rules of origin.

The group will discuss policies on industry, commerce, shipping, aviation and land today.

Another subgroup of the Basic Law Drafting Committee, one to safeguard human rights in the Basic Law, ended its meeting yesterday.

Apart from a modification of wordings, the group made a clearcut provision to forbid the SAR government from arbitrarily violating human rights by law.

They agreed that any limitation of rights and freedom should be only for the purposes of national security, social order, public safety, and protection of the freedom of others.

The drafters said otherwise Hongkong people may be worried that the future government might interpret the Basic Law wrongly and believe it had the constitutional power to arbitrarily strip people of their rights.

END OF

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